

Hearing Date: TBD  
Objection Deadline: TBD

Dennis F. Dunne  
Dennis C. O'Donnell  
Evan R. Fleck  
MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP  
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Counsel for Official Committee of Unsecured  
Creditors of Lehman Brothers Holdings Inc., et al.

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**FIFTH APPLICATION OF MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP,  
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR  
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM  
FEBRUARY 1, 2010 THROUGH AND INCLUDING MAY 31, 2010**

Name of Applicant:	<u>Milbank, Tweed, Hadley &amp; M<sup>c</sup>Cloy LLP</u>
Authorized to Provide Professional Services to:	<u>Official Committee of Unsecured Creditors</u>
Date of Retention:	<u>November 18, 2008 (effective as of September 17, 2008)</u>
Period for which compensation and reimbursement is sought:	<u>February 1, 2010 – May 31, 2010</u>

Amount of Compensation  
requested:

\$19,450,342.75

Amount of Expense  
Reimbursement requested:

\$851,804.27

This is an:   X   interim        final application.

This is the fifth interim fee application filed by Milbank, Tweed, Hadley & McCloy LLP in these cases.

**FIFTH INTERIM FEE APPLICATION OF MILBANK, TWEED,  
HADLEY & McCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.  
(FEBRUARY 1, 2010 – MAY 31, 2010)**

<b>Name</b>	<b>Position; Experience</b>	<b>Hourly Rate</b>	<b>Total Hours</b>	<b>Total Compensation</b>
Paul Aronzon	Financial Restructuring Partner for 20 years; admitted in 1979.	\$1,050	67.70	\$71,085.00
Dennis Dunne	Financial Restructuring Partner for 11 years; admitted in 1991.	\$1,050	551.20	\$578,760.00
Scott Edelman	Litigation Partner for 14 years; admitted in 1989.	\$1,050	7.50	\$7,875.00
Trayton Davis	Alternative Investments Partner for 21 years, admitted in 1981.	\$1,025	11.80	\$12,095.00
Jay Grushkin	Alternative Investments Partner for 21 years, admitted in 1982.	\$1,025	22.60	\$23,165.00
Michael Hirschfeld	Litigation Partner for 28 years; admitted in 1974.	\$1,025	155.90	\$159,797.50
Marcelo Mottes	Global Securities Partner for 11 years; admitted in 1995.	\$1,025	144.40	\$148,010.00
Andrew Tomback	Litigation Partner for 13 years; admitted in 1987.	\$1,025	478.70	\$490,667.50
Elizabeth Besio Hardin	Global Finance Partner for 13 years; admitted in 1996.	\$975	21.60	\$21,060.00
Thomas Janson	Global Corporate Partner for 7 years; admitted in 1982.	\$950	4.30	\$4,085.00
Dale Ponikvar	Tax Partner for 20 years; admitted in 1981.	\$950	286.90	\$272,555.00
Nicholas James Angel	Financial Restructuring Partner for 2 years; admitted in 1986.	\$950	37.20	\$35,340.00
Peter Benudiz	Global Corporate Partner for 17 years; admitted in 1987.	\$950 \$475*	197.80 25.70	\$187,910.00 \$12,207.50
David Cohen	Litigation Partner for 8 years; admitted in 1994.	\$950 \$475*	564.20 29.40	\$535,990.00 \$13,965.00
Robert Finkel	Global Corporate Partner for 14 years; admitted in 1988.	\$925	8.10	\$7,492.50
David Lamb	Global Corporate Partner for 20 years; admitted in 1992.	\$925 \$462.5*	116.00 9.50	\$107,300.00 \$4,393.75

Eric Moser	Global Finance Partner for 11 years; admitted in 1991.	\$925	261.40	\$241,795.00
Andrew Walker	Tax Partner for 7 years; admitted in 1995.	\$925	42.10	\$38,942.50
Paul Wessel	Tax Partner for 14 years; admitted in 1988.	\$925	25.50	\$23,587.50
Wilbur Foster	Financial Restructuring Partner for 19 years; admitted in 1982.	\$925	655.10	\$605,967.50
Winthrop Brown	Global Finance Partner for 27 years; admitted in 1975.	\$900	30.70	\$27,630.00
Catherine Marsh	Global Project Finance Partner for 5 years; admitted in 1995.	\$900	20.40	\$18,360.00
David Wolfson	Global Corporate Partner for 6 years; admitted in 1994.	\$875	44.10	\$38,587.50
Brett Goldblatt	Global Corporate Partner for 5 years; admitted in 1998.	\$875	26.20	\$22,925.00
James Warbey	Global Finance Partner for 5 years; admitted in 1996.	\$875	313.30	\$274,137.50
Debra Alligood White	Global Corporate Partner for 4 years; admitted in 1993.	\$850	2.00	\$1,700.00
Russell Kestenbaum	Tax Partner for 3 years; admitted in 1999.	\$825	145.40	\$119,955.00
Paul Denaro	Global Securities Partner for 2 years; admitted in 2000.	\$800	301.80	\$241,440.00
Robert Liubicic	Litigation Partner for 4 months; admitted in 1999.	\$750	263.50	\$197,625.00
Evan Fleck	Financial Restructuring Partner for 4 months; admitted in 2002.	\$750 \$375*	1,053.80 44.00	\$790,350.00 \$16,500.00
Risa Rosenberg	Financial Restructuring Of Counsel for 8 years; admitted in 1984.	\$850	184.30	\$156,655.00
Dennis O'Donnell	Financial Restructuring Of Counsel for 3 years; admitted in 1992.	\$810	1,013.70	\$821,097.00
Richard Rosberger	Litigation Of Counsel for 3 years; admitted in 1994.	\$750	343.40	\$257,550.00
David Sieradzki	Litigation Associate for 15 years; admitted in 1996.	\$720	5.90	\$4,248.00
Andrew Beirne	Litigation Associate for 14 years; admitted in 1996.	\$695	98.80	\$68,666.00

Lisa Brabant	Real Estate Associate for 12 years; admitted in 1999.	\$695	33.60	\$23,352.00
Stephen Tudway	Litigation Associate for 12 years; admitted in 1998.	\$695	84.40	\$58,658.00
Drew Batkin	Tax Associate for 8 years; admitted in 2003.	\$695	394.40	\$274,108.00
Aaron Renenger	Litigation Associate for 8 years; admitted in 2002.	\$695	439.60	\$305,522.00
Steven Szanzer	Financial Restructuring Associate for 10 years; admitted in 2001.	\$695	318.50	\$221,357.50
Lena Mandel	Senior Attorney; admitted in 1991.	\$685	383.60	\$262,766.00
Adrian Azer	Litigation Associate for 7 years; admitted in 2003.	\$675 \$337.5*	759.00 15.50	\$512,325.00 \$5,231.25
Irene Bogdashevsky	Financial Restructuring Associate for 7 years; admitted in 2004.	\$675	61.00	\$41,175.00
James Bulger	Financial Restructuring Associate for 7 years; admitted in 2004.	\$675	44.60	\$30,105.00
Neda Matar	Global Finance Associate for 7 years; admitted in 2004.	\$675	270.60	\$182,655.00
Erika Kuver-Del Duca	Real Estate Associate for 7 years; admitted in 2004.	\$675	21.40	\$14,445.00
Brian Stern	Global Corporate Associate for 7 years; admitted in 2003.	\$675	12.90	\$8,707.50
Kevin Brown	Tax Associate for 6 years; admitted in 2008.	\$650	3.00	\$1,950.00
Daniel De Souza	Litigation Associate for 6 years; admitted in 2005.	\$650	305.10	\$198,315.00
Peter Devonshire	Global Finance Associate for 6 years; admitted in 2007.	\$650	30.50	\$19,825.00
Melissa Gambol	Global Securities Associate for 6 years; admitted in 2007.	\$650	42.90	\$27,885.00
Grace Gilligan	Litigation Associate for 6 years; admitted in 2005.	\$650	169.70	\$110,305.00
Aisha Greene	Global Leveraged Finance Associate for 6 years; admitted in 2005.	\$650	146.90	\$95,485.00

Peter Newman	Financial Restructuring Associate for 6 years; admitted in 2005.	\$650	37.30	\$24,245.00
Scott Rozic	Global Securities Associate for 6 years; admitted in 2004.	\$650	173.50	\$112,775.00
Maximilian Schneider	Global Leveraged Finance Associate for 6 years; admitted in 2005.	\$650	39.40	\$25,610.00
Tamieka Spencer Bruce	Litigation Associate for 6 years; admitted in 2008.	\$650	27.70	\$18,005.00
Melanie Westover	Litigation Associate for 6 years; admitted in 2005.	\$650	16.00	10,400.00
Temitope Adesanya	Global Project Finance Associate for 5 years; admitted in 2006.	\$625	78.10	\$48,812.50
Douglas Barnes	Global Corporate Associate for 5 years; admitted in 2006.	\$625	26.10	\$16,312.50
Ana Bast	Global Securities Associate for 5 years; admitted in 2006.	\$625	17.00	\$10,625.00
Karen Bhatia	Global Securities Associate for 5 years; admitted in 2007.	\$625	119.00	\$74,375.00
John White	Litigation Associate for 5 years; admitted in 2006.	\$625	569.60	\$356,000.00
Simon Williams	Global Finance Associate for 5 years; admitted in 2008.	\$625	139.30	\$87,062.50
Nicholas Bassett	Litigation Associate for 4 years; admitted in 2007.	\$600 \$300*	393.80 9.00	\$236,280.00 \$2,700.00
Victoria Boid	Global Finance Associate for 4 years; admitted in 2007.	\$600	67.40	\$40,440.00
Jonathan Brown	Global Finance Associate for 4 years; admitted in 2007.	\$600	5.00	\$3,000.00
Melissa Ann Clark	Global Corporate Associate for 4 years; admitted in 2006.	\$600	97.10	\$58,260.00
Rachel Fink	Global Corporate Associate for 4 years; admitted in 2007.	\$600	41.10	\$24,660.00
James Harris	Financial Restructuring Associate for 4 years; admitted in 2008.	\$600	257.50	\$154,500.00
Emma Hogwood	Litigation Associate for 4 years; admitted in 2006.	\$600	71.50	\$42,900.00

Aluyah Imoisili	Litigation Associate for 4 years; admitted in 2006.	\$600	48.10	\$28,860.00
Grace Lim	Global Corporate Associate for 4 years; admitted in 2005.	\$600	4.70	\$2,820.00
Mary Santanello	Alternative Investments Associate for 4 years; admitted in 2007.	\$600 \$300	37.80 1.00	\$22,680.00 \$300.00
Jeremy Sussman	Financial Restructuring Associate for 4 years; admitted in 2007.	\$600	209.90	\$125,940.00
Wendy Williams	Global Securities Associate for 4 years; admitted in 2007.	\$600	335.20	\$201,120.00
Yeping Zhou	Global Securities Associate for 4 years; admitted in 2007.	\$600	17.80	\$10,680.00
Husam Badawi	Global Securities Associate for 3 years; admitted in 2008.	\$575	110.10	\$63,307.50
Constance Beverley	Litigation Associate for 3 years; admitted in 2008.	\$575	382.80	\$220,110.00
Brianne Copp	Litigation Associate for 3 years; admitted in 2008.	\$575	13.40	\$7,705.00
Emin Guseynov	Global Leveraged Finance Associate for 3 years; admitted in 2008.	\$575	2.70	\$1,552.50
Tarnetta Jones	Global Leveraged Finance Associate for 3 years; admitted in 2008.	\$575	65.10	\$37,432.50
Sofia Khan	Litigation Associate for 3 years; admitted in 2008.	\$575	41.70	\$23,977.50
Bria La Salle Mertens	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	21.80	\$12,535.00
Michael Lee	Global Securities Associate for 3 years; admitted in 2008.	\$575	256.20	\$147,315.00
Nicole Leyton	Tax Associate for 3 years; admitted in 2008.	\$575	41.90	\$24,092.50
Michael Lynch	Global Corporate Associate for 3 years; admitted in 2007.	\$575	455.30	\$261,797.50
Gregory Papeika	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	309.30	\$177,847.50

Charles Rubio	Financial Restructuring Associate for 3 years; admitted in 2008.	\$575	176.30	\$101,372.50
Andrew Sullivan	Global Securities Associate for 3 years; admitted in 2008.	\$575	130.10	\$74,807.50
Laurice Thrasher	Global Leveraged Finance Associate for 3 years; admitted in 2008.	\$575	23.00	\$13,225.00
Andrew Young	Financial Restructuring Associate for 3 years; admitted in 2006.	\$575	199.70	\$114,827.50
Jeeseon Ahn	Global Alternative Investments Associate for 2 years; admitted in 2009.	\$525	11.60	\$6,090.00
Sonja Andersen	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	223.30	\$117,232.50
Michael Applebaum	Tax Associate for 2 years; admitted in 2009.	\$525	7.70	\$4,042.50
Kurt Avarell	Tax Associate for 2 years; admitted in 2009.	\$525	102.90	\$54,022.50
Adam Bagley	Global Corporate Associate for 2 years; admitted in 2009.	\$525	13.90	\$7,297.50
Jennifer Beaudry	Global Securities Associate for 2 years; admitted in 2009.	\$525	197.50	\$103,687.50
Adlin Castro	Global Securities Associate for 2 years; admitted in 2009.	\$525	138.90	\$72,922.50
Ateesh Chanda	Litigation Associate for 2 years; admitted in 2009.	\$525	248.40	\$130,410.00
Wayne Ren Chang	Litigation Associate for 2 years; admitted in 2009.	\$525	21.80	\$11,445.00
Alecia Chen	Alternative Investments Associate for 2 years; admitted in 2009.	\$525	17.00	\$8,925.00
Michael Clarke	Global Finance Associate for 2 years; admitted in 2009.	\$525	71.60	\$37,590.00
Andrea Conis	Financial Restructuring Associate for Associate for 2 years; admitted in 2009.	\$525	697.20	\$366,030.00



Julie Constantinides	Global Corporate Associate for 2 years; admitted in 2009.	\$525	29.80	\$15,645.00
Erin Culbertson	Litigation Associate for 2 years; admitted in 2009.	\$525	419.80	\$220,395.00
Rachel Dobson	Litigation Associate for 2 years; admitted in 2009.	\$525	489.30	\$256,882.50
Nicole Fidler	Litigation Associate for 2 years; admitted in 2009.	\$525	29.10	\$15,277.50
Melissa Galicia	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	273.30	\$143,482.50
Derek Gluckman	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	236.00	\$123,900.00
Joanna L. Grossman	Tax Associate for 2 years; admitted in 2009.	\$525	6.50	\$3,412.50
Christopher Hower	Litigation Associate for 2 years; admitted in 2009.	\$525	82.00	\$43,050.00
Jared Joyce-Schleimer	Financial Restructuring Associate for 2 years; admitted in 2009.	\$525	485.10	\$254,677.50
Benjamin Keller	Real Estate Associate for 2 years; admitted in 2009.	\$525	6.90	\$3,622.50
Alexander Klein	Global Leveraged Finance Associate for 2 years; admitted in 2009.	\$525	21.00	\$11,025.00
Marianna Kosharovsky	Global Securities Associate for 2 years; admitted in 2009.	\$525	264.80	\$139,020.00
Kristen Lam	Global Transportation and Space Finance Associate for 2 years; admitted in 2009.	\$525	102.80	\$53,970.00
Brian Lee	Global Finance Associate for 2 years; admitted in 2009.	\$525	38.40	\$20,160.00
Roger Lee	Financial Restructuring Associate for 2 years; admitted in 2009.	\$525	19.50	\$10,237.50
Ulric Lewen	Global Securities Associate for 2 years; admitted in 2009.	\$525	130.90	\$68,722.50

Abbey Mansfield	Global Leveraged Finance Associate for 2 years; admitted in 2009.	\$525	126.70	\$66,517.50
Jan Nishizawa	Global Corporate Associate for 2 years; admitted in 2009.	\$525 \$262.5*	63.50 11.90	\$33,337.50 \$3,123.75
Tanja L. Olano	Global Corporate Associate for 2 years; admitted in 2009.	\$525	51.60	\$27,090.00
Brendan Riley	Litigation Associate for 2 years; admitted in 2009.	\$525	340.40	\$178,710.00
Joanne Robertson	Global Finance Associate for 2 years; admitted in 2009.	\$525	306.30	\$160,807.50
Stephen Rose	Global Securities Associate for 2 years; admitted in 2009.	\$525	139.40	\$73,185.00
Matthew Squires	Global Securities Associate for 2 years; admitted in 2009.	\$525	43.90	\$23,047.50
Jeremy Steckel	Global Securities Associate for 2 years; admitted in 2009.	\$525	368.40	\$193,410.00
Stephanie Swanson	Global Securities Associate for 2 years; admitted in 2009.	\$525	251.30	\$131,932.50
Brittany Akins	Litigation Associate for 8 months; admitted in 2010.	\$450	807.00	\$363,150.00
Jon Babbie	Global Corporate Associate for 8 months; admitted in 2010.	\$450	13.20	\$5,940.00
Thallen Brassel	TAX Associate for 8 months; admitted in 2010.	\$450	109.70	\$49,365.00
Deana Brown	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450 \$225*	13.70 16.40	\$6,165.00 \$3,690.00
John Calabrese	Litigation Associate for 8 months; admitted in 2010.	\$450	119.40	\$53,730.00
Ginni Chen	Litigation Associate for 8 months; admitted in 2010.	\$450	119.40	\$53,730.00
Philippe Danielides	Global Transportation and Space Finance Associate for 8 months; admitted in 2010.	\$450	22.30	\$10,035.00
Victoria Farren	Alternative Investments Associate for 8 months; admitted in 2010.	\$450	44.90	\$20,205.00

Julia Fish	Alternative Investments Associate for 8 months; admitted in 2010.	\$450	85.40	\$38,430.00
Bradley Friedman	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	597.10	\$268,695.00
Vina Ha	Litigation Associate for 8 months; admitted in 2010.	\$450	49.00	\$22,050.00
Elena Hassan	Global Corporate Associate for 8 months; admitted in 2010.	\$450	9.50	\$4,275.00
Jacob Jou	Litigation Associate for 8 months; admitted in 2010.	\$450	20.20	\$9,090.00
Matthew Kanter	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	628.50	\$282,825.00
Andrea Kelly	Litigation Associate for 8 months; admitted in 2010.	\$450	90.40	\$40,680.00
Ethan Lee	Litigation Associate for 8 months; admitted in 2010.	\$450	220.10	\$99,045.00
Kevin Lee	Global Corporate Associate for 8 months; admitted in 2010.	\$450	5.30	\$2,385.00
Kathryn Lenahan	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	40.10	\$18,045.00
Denise Linton	Litigation Associate for 8 months; admitted in 2010.	\$450	474.60	\$213,570.00
Tiara Lipps	Real Estate Associate for 8 months; admitted in 2010.	\$450	6.20	\$2,790.00
Alastair Macdonald	Global Transportation and Space Finance Associate for 8 months; admitted in 2010.	\$450	14.70	\$6,615.00
James Marshall	Global Securities Associate for 8 months; admitted in 2010.	\$450	288.60	\$129,870.00
Richard Mo	Global Securities Associate for 8 months; admitted in 2010.	\$450	116.50	\$52,425.00
Andrew Morton	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	50.30	\$22,635.00

Vanessa Ortblad	Global Project Finance Associate for 8 months; admitted in 2010.	\$450	12.20	\$5,490.00
Jonathan Ostrzega	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	241.40	\$108,630.00
Amaldo Rego, Jr.	Global Securities Associate for 8 months; admitted in 2010.	\$450	280.60	\$126,270.00
James Reilly	Litigation Associate for 8 months; admitted in 2010.	\$450	76.80	\$34,560.00
Katherine Rhodes	Litigation Associate for 8 months; admitted in 2010.	\$450	12.50	\$5,625.00
Joanne Ricciardiello	Global Transportation and Space Finance Associate for 8 months; admitted in 2010.	\$450	41.10	\$18,495.00
Paul Riley	Litigation Associate for 8 months; admitted in 2010.	\$450	210.20	\$94,590.00
Iiya Ross	Global Securities Associate for 8 months; admitted in 2010.	\$450	176.00	\$79,200.00
Neema Saran	Litigation Associate for 8 months; admitted in 2010.	\$450	94.90	\$42,705.00
Megha Shah	Global Securities Associate for 8 months; admitted in 2010.	\$450	159.00	\$71,550.00
Nehal Siddiqui	Global Corporate Associate for 8 months; admitted in 2010.	\$450	27.50	\$12,375.00
Sunila Sreepada	Litigation Associate for 8 months; admitted in 2010.	\$450	42.30	\$19,035.00
Drew Stewart	Litigation Associate for 8 months; admitted in 2010.	\$450	40.40	\$18,180.00
Brian Sturm	Financial Restructuring Associate for 8 months; admitted in 2010.	\$450	10.40	\$4,680.00
Matthew Telford Vidal	Global Securities Associate for 8 months; admitted in 2010.	\$450	134.50	\$60,525.00
Shujun Tian	Global Securities Associate for 8 months; admitted in 2010.	\$450	177.70	\$79,965.00

Jonathan Walder	Litigation Associate for 8 months; admitted in 2010.	\$450	108.60	\$48,870.00
Pong-Jeh Wang	Global Securities Associate for 8 months; admitted in 2010.	\$450	102.90	\$46,305.00
Eric Weiss	Litigation Associate for 8 months; admitted in 2010.	\$450	96.40	\$43,380.00
Jeremy Wells	Global Securities Associate for 8 months; admitted in 2010.	\$450	705.20	\$317,340.00
Brian Youn	Litigation Associate for 8 months; admitted in 2010.	\$450	12.70	\$5,715.00
Zen Zhang	Global Corporate Associate for 8 months; admitted in 2010.	\$450	38.10	\$17,145.00
Jenny Zhou	Litigation Associate for 8 months; admitted in 2010.	\$450	407.90	\$183,555.00
Samuel Giorgi	Financial Restructuring International Attorney.	\$450	3.00	\$1,350.00
Abayomi A. Ayandipo	Case Manager	\$250	175.40	\$43,850.00
Monica Alston	Case Manager	\$250	372.50	\$93,125.00
Oscar Castrillon	Case Manager	\$250	29.70	\$7,425.00
Jennifer Russo	Case Manager	\$250	42.80	\$10,700.00
Angel Anderson	Case Manager	\$215	342.90	\$73,723.50
Rena Ceron	Case Manager	\$215	247.30	\$53,169.50
Richard Cosentino	Legal Assistant	\$275	329.00	\$90,475.00
Randy Hooks	Legal Assistant	\$275	262.40	\$72,160.00
Kim Strosser	Legal Assistant	\$275	166.00	\$45,650.00
Charles Sheehan	Legal Assistant	\$265	104.80	\$27,772.00
Mayuko Ichihara	Legal Assistant	\$240	2.20	\$528.00
Dakota Blake	Legal Assistant	\$215	25.30	\$5,439.50
Paul Butters	Legal Assistant	\$185	103.10	\$19,073.50
Peter J. Delfausse	Legal Assistant	\$185	29.10	\$5,383.50
Charmaine Thomas	Legal Assistant	\$185	183.00	\$33,855.00
Toi K. Carrion	Legal Assistant	\$175	41.50	\$7,262.50
Kyle Martin	Legal Assistant	\$175	638.10	\$111,667.50
Jason Hsu	Legal Assistant	\$165	293.50	\$48,427.50
Sarah P. Steele	Legal Assistant	\$165	41.50	\$6,847.50
Jacqueline Brewster	Managing Attorney Clerk	\$175	62.00	\$10,850.00

Matthew Ottenstein	Librarian	\$205	12.30	\$2,521.50
Robin Traylor	Librarian	\$205	37.80	\$7,749.00
Barbara Peck	Librarian	\$190	2.00	\$380.00
Janelle S. Blanchard	Litigation Support Specialist	\$285	6.00	\$1,710.00
Marcin Grabysz	Litigation Support Specialist	\$285	102.20	\$29,127.00
Shaun M. De Suze	Litigation Support Specialist	\$275	15.50	\$4,262.50
Joseph S. Klock	Litigation Support Specialist	\$275	20.80	\$5,720.00
Rhodely Vallon	Litigation Support Specialist	\$275	376.80	\$103,620.00
Theartis Everett	Litigation Support Specialist	\$255	97.40	\$24,837.00
Juan Rojas	Litigation Support Specialist	\$240	21.70	\$5,208.00
Gabrielle Zsebi	Librarian	\$210	3.70	\$777.00
Maria Smilen	File Clerk	\$115	7.20	\$828.00
<b>Total</b>		<b>\$577.45 (blended rate)<sup>1</sup></b>	<b>33,683.10 hours</b>	<b>\$19,450,342.75</b>

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<sup>1</sup> The blended rate excluding paraprofessionals is \$627.27 per hour.

\* In accordance with the Fee Committee Guidelines, Milbank has billed non-working travel time at 50% of normal rates.

**FIFTH INTERIM FEE APPLICATION OF MILBANK, TWEED,  
HADLEY & McCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.  
(FEBRUARY 1, 2010 – MAY 31, 2010)**

<b>ACTIVITY</b>	<b>HOURS</b>	<b>FEES</b>
General Case Administration	528.70	\$357,353.50
General Case Strategy Meetings	20.00	16,289.00
Project Monitoring/Court Calendar & Docket Maintenance	642.70	189,977.50
Hearings and Court Communications	313.00	172,150.00
Non-Working Travel	197.70	92,048.75
Interested Party Communications/Website/Lehman Team Hotline	314.70	179,799.00
Communications with Debtors	67.40	52,640.00
Unsecured Creditors Issues/Meetings/Communications/Creditors' Committee	1,090.70	755,533.00
Secured Creditors Issues/Meetings/Communications	.80	768.00
LBI/SIPC Coordination and Issues	322.30	189,047.00
Cash Management	5.30	3,642.00
Insurance Issues	8.80	5,911.50
Employee/ERISA/Benefits/Pension Issues	44.50	22,512.50
Tax Issues	890.30	625,551.00
Corporate Governance	.90	580.50
Other General Business Operation Issues	87.50	63,816.00
Intercompany Issues	940.90	612,724.50
Real Estate Matters	1,191.60	891,533.00
Private Equity	117.10	86,986.50
Derivatives/SWAP Agreement Issues (Including Derivatives- Related Adversary Proceedings, Alternative Dispute Resolution, and Claims Reconciliation and Litigation)	5,291.30	3,442,935.50
Loans/Investments	363.50	189,654.50
Domestic Bank and Related Regulatory Issues	89.50	61,631.00

International Insolvency Issues	562.10	341,642.00
Schedules/Statement of Financial Affairs	2.80	1,762.50
Non-Derivative Automatic Stay/Safe Harbor Issues	169.70	85,701.50
Miscellaneous Asset Sales/363 Issues	142.80	83,663.50
Non-Derivative Executory Contracts/365 Issues	52.30	27,762.00
DIP Financing	5.20	1,366.00
Exit Financing	2.80	2,030.00
Plan of Reorganization/Plan Confirmation/Plan Implementation	2,357.00	1,591,053.00
Disclosure Statement/Solicitation/Voting	131.20	98,166.50
Non-Derivative Claims Reconciliation, Estimation, Litigation, and Alternative Dispute Resolution and Bar Date Issues	9,170.10	4,768,848.50
Other Bankruptcy Motions and Matters	948.60	572,286.00
Non-Derivative Adversary Proceedings Preparation and Litigation	4,876.10	2,545,337.00
Non-Bankruptcy Litigation	33.90	11,558.50
2004 Issues	104.00	74,302.50
Appeals	.80	420.00
US Trustee Related Issues	2.50	1,132.50
Examiner Issues	876.80	527,097.50
Proprietary Retention/Billing/Fee Applications	1,561.10	627,311.00
Retention Issue/Fees Applications: Ordinary Course Professionals	58.10	32,291.50
Retention Issue/Fees Applications: Other Professionals	96.00	43,526.50
<b>Total</b>	<b>33,683.10</b>	<b>\$19,450,342.75</b>



**FIFTH INTERIM FEE APPLICATION OF MILBANK, TWEED,  
HADLEY & M<sup>C</sup>CLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.  
(FEBRUARY 1, 2010 – MAY 31, 2010)**

<b>DISBURSEMENTS</b>	<b>AMOUNT</b>
Airfreight	2,538.80
Binding	257.50
Cab Fares/Local Travel	42,612.97
Computer Database Research	544,240.60
Court Search	12,710.79
Court/Clerical Services	213.84
Fees	30,974.20
Global Filings	12,300.00
Mail	129.36
Meals	32,260.55
Messenger	1,076.57
Misc	176.01
Outside Reproduction	5,007.51
Photocopies	102,392.35
Telephone/Telecopy	27,421.31
Travel	37,491.91
<b>TOTAL DISBURSEMENTS</b>	<b><u>\$851,804.27</u></b>

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Counsel for Official Committee of Unsecured  
Creditors of Lehman Brothers Holdings Inc., et al.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**FIFTH APPLICATION OF MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP,  
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR  
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM  
FEBRUARY 1, 2010 THROUGH AND INCLUDING MAY 31, 2010**

TO THE HONORABLE JAMES M. PECK  
UNITED STATES BANKRUPTCY JUDGE:

Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP ("Milbank"), counsel to the Official  
Committee of Unsecured Creditors (the "Committee") of Lehman Brothers Holdings Inc.  
("LBHI"), Lehman Brothers Structured Finance ("LBSF"), Lehman Brothers Commercial Paper,  
Inc. ("LCPI") and their affiliated debtors and debtors in possession in the above-captioned cases  
(collectively, the "Debtors"), hereby submits its application (the "Application"), pursuant to  
sections 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.  
(as amended, the "Bankruptcy Code"), Rule 2016 of the Federal Rules of Bankruptcy Procedure  
(the "Bankruptcy Rules"), the Guidelines for Fees and Disbursements for Professionals in

Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991 and amended April 21, 1995 (together, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), the Third Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation And Reimbursement Of Expenses of Professionals, dated June 25, 2009 (the “Interim Compensation Order”), and the guidelines (the “Fee Committee Guidelines”) contained in the Fee Committee Report Regarding Fee Committee Processes and Efforts to Resolve Outstanding Issues Related to the Third Interim Fee Applications of Retained Professionals, dated April 9, 2010 (the “Fee Committee Report”), for the allowance of interim compensation for professional services rendered from February 1, 2010 through and including May 31, 2010 (the “Fifth Interim Compensation Period”), and for reimbursement of expenses incurred in connection with such services, and in support thereof respectfully represents as follows:

**I.**

**INTRODUCTION**

**A. Background**

1. Bankruptcy Filing. On September 15, 2008, and periodically thereafter (the “Petition Date”), the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code.

2. Creditors' Committee. On September 17, 2008, the Office of the United States Trustee for the Southern District of New York (the "United States Trustee") appointed the Committee in the Chapter 11 Cases.

3. SIPA Trustee. On September 19, 2008, a proceeding ("SIPA Proceeding") was commenced under the Securities Investor Protection Act of 1970 ("SIPA") with respect to Lehman Brothers Inc. ("LBI"), a wholly owned subsidiary of LBHI and a registered broker-dealer. James W. Giddens, Esq. is the trustee appointed under SIPA (the "SIPA Trustee") and is administering LBI's estate.

4. Examiner. The United States Bankruptcy Court for the Southern District of New York (the "Court") approved the appointment of Anton R. Valukas as examiner (the "Examiner") in the Chapter 11 Cases in the Order Approving the Appointment of Examiner dated January 20, 2009. In accordance with his appointment, the Examiner issued his report (the "Examiner's Report") on February 8, 2010, which was filed under seal and later unsealed on March 11, 2010.

5. Fee Committee. On May 26, 2009, the Court appointed a fee committee (the "Fee Committee") and approved a fee protocol (the "Fee Protocol") in the Chapter 11 Cases.

6. Debtors' Plan and Disclosure Statement. On March 15, 2010, the Debtors filed their Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors [Docket No. 7572]. Subsequently, on April 14, 2010, the Debtors filed their Disclosure Statement for Joint Chapter 11 Plan of Lehman Brothers Holding Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code (the "Debtors' Disclosure Statement")

[Docket No. 8332], along with their revised Chapter 11 Plan (the “Debtors’ Plan”) [Docket No. 8330].

7. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines is attached hereto as Exhibit “A.”

**B. Retention of Milbank and Billing History**

8. Authorization for Milbank’s Retention. On November 5, 2008, pursuant to the Interim Order Under 11 U.S.C. § 1103 And Fed. R. Bankr. P. 2014 And 5002 Authorizing The Retention And Employment Of Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP, As Counsel For The Official Committee Of Unsecured Creditors Effective As Of September 17, 2008 (the “Retention Order”), the Court authorized Milbank’s retention as counsel for the Committee in these cases. The Retention Order, which became a final order on November 21, 2008, authorized Milbank to receive compensation pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, the U.S. Trustee Guidelines, and the local rules and orders of this Court. Among other things, the Retention Order provides that Milbank’s hourly rates are subject to periodic firm-wide adjustments in the ordinary course of Milbank’s business.

9. First Interim Fee Application. On April 10, 2009, Milbank filed its First Application Of Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services

Rendered And For Reimbursement Of Expenses During Period From September 17, 2008 Through And Including January 31, 2009 (the “First Interim Fee Application”). In the First Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from September 17, 2008 through and including January 31, 2009 (the “First Interim Compensation Period”) in the total amount of \$12,123,376.00,<sup>1</sup> and (ii) reimbursement of its actual and necessary expenses incurred during the First Interim Compensation Period in the amount of \$668,388.72. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$10,397,943.56 during the First Interim Compensation Period. On August 5, 2009, the Court approved the First Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On September 10, 2009, the Court approved the release of the remaining holdback, subject to a \$69,990.04 deduction, at the recommendation of the Fee Committee.<sup>2</sup>

10. Second Interim Fee Application. On August 14, 2009, Milbank filed its Second Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From February 1, 2009 Through And Including May 31, 2009 (the “Second Interim Fee Application”). In the Second Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from February 1, 2009 through and including May 31, 2009 (the

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<sup>1</sup> Milbank voluntarily reduced the fees it sought to have allowed for the First Interim Compensation Period by \$129,111.00. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

<sup>2</sup> Milbank reserves the right to seek, at a later date, the allowance of all or a portion of such fees.

“Second Interim Compensation Period”) in the total amount of \$16,829,521.00,<sup>3</sup> and (ii) reimbursement of its actual and necessary expenses incurred during the Second Interim Compensation Period in the amount of \$1,019,754.61. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$14,582,737.21 during the Second Interim Compensation Period. On September 25, 2009, the Court approved the Second Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On December 23, 2009, the Court released the ten percent holdback, subject to a \$311,734.82 deduction, at the recommendation of the Fee Committee.<sup>4</sup>

11. Third Interim Fee Application. On December 14, 2009, Milbank filed its Third Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From June 1, 2009 Through And Including September 30, 2009 (the “Third Interim Fee Application”). In the Third Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from June 1, 2009 through and including September 30, 2009 (the “Third Interim Compensation Period”) in the total amount of \$10,881,540.00,<sup>5</sup> and (ii) reimbursement of its actual and necessary expenses incurred during the Second Interim Compensation Period in the amount of \$583,803.10. Pursuant to the Interim Compensation

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<sup>3</sup> Milbank voluntarily reduced the fees it sought to have allowed for the Second Interim Compensation Period by \$154,700.25, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

<sup>4</sup> Milbank reserves the right to seek, at a later date, the allowance of all or a portion of such fees.

<sup>5</sup> Milbank voluntarily reduced the fees it sought to have allowed for the Third Interim Compensation Period by \$419,548.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

Order, Milbank received payment in the amount of \$7,480,652.96 during the Third Interim Compensation Period. On April 9, 2010, the Court approved the Third Interim Fee Application, subject to a \$292,555.40 deduction, at the recommendation of the Fee Committee.<sup>6</sup>

12. Fourth Interim Fee Application. On April 16, 2010, Milbank filed its Fourth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From October 1, 2009 Through And Including January 31, 2010 (the “Fourth Interim Fee Application”). In the Fourth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from October 1, 2009 through and including January 31, 2010 (the “Fourth Interim Compensation Period”) in the total amount of \$13,595,778.50,<sup>7</sup> and (ii) reimbursement of its actual and necessary expenses incurred during the Fourth Interim Compensation Period in the amount of \$451,410.54. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$11,341,325.19 during the Fourth Interim Compensation Period. The Fourth Interim Fee Application is scheduled for hearing on August 25, 2010, at which time the Court will be required to address certain recommended reductions proposed by the Fee Committee.<sup>8</sup>

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<sup>6</sup> Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

<sup>7</sup> Milbank voluntarily reduced the fees it sought to have allowed for the Fourth Interim Compensation Period by \$111,446.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

<sup>8</sup> Milbank reserves, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.



13. Application. Milbank makes this fifth interim application for approval and allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code.

14. In accordance with the Interim Compensation Order, Milbank submitted monthly fee statements to the Debtors seeking interim compensation and reimbursement of expenses. During the Fifth Interim Compensation Period, Milbank submitted the following fee statements:

- a. On June 2, 2010, pursuant to the Interim Compensation Order, Milbank served its seventeenth fee statement for the period from February 1, 2010 through and including February 28, 2010 (the "Seventeenth Fee Statement"). The Seventeenth Fee Statement sought (i) an allowance of \$4,269,508.00 as compensation for services rendered and (ii) the reimbursement of \$197,136.91 in expenses. As of the date hereof, Milbank has received a total of \$3,612,743.31, which represents payment for (i) 80% of Milbank's fees and (ii) 100% of the expenses incurred pursuant to the Seventeenth Fee Statement.
- b. On July 9, 2010, pursuant to the Interim Compensation Order, Milbank served its eighteenth fee statement for the period from March 1, 2010 through and including March 31, 2010 (the "Eighteenth Fee Statement"). The Eighteenth Fee Statement sought (i) an allowance of \$5,450,207.00 as compensation for services rendered and (ii) the reimbursement of \$262,768.45 in expenses. As of the date hereof, Milbank has received a total of \$4,622,934.05, which represents payment for (i) 80% of Milbank's fees and (ii) 100% of the expenses incurred pursuant to the Eighteenth Fee Statement.
- c. On August 11, 2010, pursuant to the Interim Compensation Order, Milbank filed and served its nineteenth fee statement for the period from April 1, 2010 through and including April 30, 2010 (the "Nineteenth Fee Statement"). The Nineteenth Fee Statement sought (i) an allowance of \$4,907,292.00 as compensation for services rendered and (ii) the reimbursement of \$212,883.48 in expenses.
- d. On August 13, 2010, pursuant to the Interim Compensation Order, Milbank filed and served its twentieth fee statement for the period from May 1, 2010 through and including May 31, 2010 (the "Twentieth Fee Statement") and, together with the Seventeenth Fee Statement, Eighteenth Fee Statement and Nineteenth Fee Statement, the "Fee Statements"). The Twentieth Fee Statement sought (i) an allowance of \$ 4,823,335.75 as compensation for services rendered and (ii) the reimbursement of \$194,781.68 in expenses.

15. Milbank has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases. No promises have been received by Milbank or any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

## II.

### APPLICATION

16. By this Application, Milbank is seeking allowance of (a) compensation for professional services rendered by Milbank, as counsel for the Committee, during the Fifth Interim Compensation Period and (b) reimbursement of expenses incurred by Milbank in connection with such services during the Fifth Interim Compensation Period.

17. In this Application, Milbank seeks approval of \$19,450,342.75<sup>9</sup> for legal services rendered on behalf of the Committee during the Fifth Interim Compensation Period and \$851,804.27<sup>10</sup> for reimbursement of expenses incurred in connection with the rendering of such services, for a total award of \$20,302,147.02.

18. Pursuant to the Interim Compensation Order, Milbank has already received payment of \$8,235,677.36 during the Fifth Interim Compensation Period. Milbank will seek a total payment of \$12,066,469.66 pursuant to this Application, which amount represents the portion of Milbank's fees for legal services rendered and expenses incurred

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<sup>9</sup> The compensation sought by this Application reflects a voluntary reduction of approximately \$199,247.00, including, but not limited to, certain fee issues identified by the Fee Committee. However, Milbank reserves the right to seek allowance of all or a portion of such fees at a future date.

<sup>10</sup> This amount reflects a reduction of certain expenses as per the Fee Committee Guidelines. Milbank reserves the right to seek, at a later date, reimbursement for the total amount of expenses incurred in connection with its representation of the Committee.

during the Fifth Interim Compensation Period not previously paid to Milbank pursuant to the Interim Compensation Order.<sup>11</sup>

19. The fees sought by this Application reflect an aggregate of 33,683.10 hours of attorney and paraprofessional time spent and recorded in performing services for the Committee during the Fifth Interim Compensation Period, at a blended average hourly rate of \$577.45 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$627.27.

20. Milbank rendered to the Committee all services for which compensation is sought solely in connection with these cases, in furtherance of the duties and functions of the Committee.

21. Milbank maintains computerized records of the time expended in the rendering of the professional services required by the Committee. These records are maintained in the ordinary course of Milbank's practice. For the convenience of the Court and parties in interest, a billing summary for the Fifth Interim Compensation Period is attached as part of the cover sheet, setting forth the name of each attorney and paraprofessional for whose work on these cases compensation is sought, each attorney's year of bar admission, the aggregate of the time expended by each such attorney or paraprofessional, the hourly billing rate for each such attorney or paraprofessional at Milbank's current billing rates, and an indication of the individual amounts requested as part of the total amount of compensation requested. In addition, set forth in the billing summary is additional information indicating whether each

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<sup>11</sup> As is customary, in connection with the preparation of this Application, Milbank has reviewed the fees and expenses set forth in its Fee Statements. Based on this review, the amount requested herein on account of fees and expenses incurred by Milbank during the Fifth Interim Compensation Period is \$867,570.52 less than the sum of fees and expenses set forth in the Fee Statements. Accordingly, upon approval of the relief requested herein, Milbank will reduce its request for payment from the Debtors by such amount.

attorney is a partner, counsel or associate, the number of years each attorney has held such position, and each attorney's area of concentration. The compensation requested by Milbank is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

22. Attached hereto as Exhibit "B" are time entry records broken down in tenths of an hour by project category, based on the U.S. Trustee Guidelines, setting forth a detailed description of services performed by each attorney and paraprofessional on behalf of the Committee.<sup>12</sup>

23. Milbank also maintains computerized records of all expenses incurred in connection with the performance of professional services. A summary of the amounts and categories of expenses for which reimbursement is sought, as well as a breakdown of expenses by project category and detailed descriptions of these expenses, are attached hereto as Exhibit "C."

### **III.**

#### **SUMMARY OF PROFESSIONAL SERVICES RENDERED**

24. To provide an orderly summary of the services rendered on behalf of the Committee by Milbank, and in accordance with the U.S. Trustee Guidelines, the Fee Committee adopted the following billing categories in connection with these cases:

00100	General Case Administration
00200	General Case Strategy Meetings
00300	Project Monitoring/Court Calendar & Docket Maintenance
00400	Hearings and Court Communications
00500	Non-Working Travel
00600	Interested Parties Communications

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<sup>12</sup> Due to the volume of the time and expense records, and consistent with the Interim Compensation Order, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the members of the Fee Committee.

00700	Communications with Debtors
00800	Unsecured Creditors Issues/Meetings/Communications/Creditors' Committee
00900	Secured Creditors Issues/Meetings/Communications
01000	Equity Holders/Motions/Hearings/Communications
01100	LBI/SIPC Coordination and Issues
01200	Cash Management
01300	Insurance Issues
01400	Employee/ERISA/Benefits/Pension Issues
01800	Tax Issues
01900	Corporate Governance
02000	Other General Business Operation Issues
02100	Intercompany Issues
02200	Data Preservation/Migration
02300	Real Estate Matters
02400	Private Equity
02500	Derivatives/SWAP Agreement Issues
02600	Loans/Investments
02700	Domestic Bank and Related Regulatory Issues
02800	International Insolvency Issues
02900	Schedules/Statement of Financial Affairs
03000	Non-Derivative Automatic Stay/Safe Harbor Issues
03100	Miscellaneous Asset Sales/363 Issues
03200	Non-Derivative Executory Contracts/365 Issues
03300	DIP Financing
03400	Exit Financing
03500	Plan of Reorganization/Plan Confirmation/Plan Implementation
03600	Disclosure Statement/Solicitation/Voting
03700	Non-Derivative Claims Reconciliation, Estimation, Litigation, and Alternative Dispute Resolution and Bar Date Issues
03800	Other Bankruptcy Motions and Matters
03900	Non-Derivative Adversary Proceedings Preparation and Litigation
04000	Non-Bankruptcy Litigation
04100	2004 Issues
04200	Appeals
04300	US Trustee Related Issues
04400	SEC/DOJ Issues
04500	Examiner Issues
04600	Firm's Own Billing/Fee Applications
04700	Firm's Own Retention Issues
04800	Third Party Retention/Fee Application/Other Issues

25. The following summary is intended only to highlight key services rendered by Milbank in certain project billing categories where Milbank has expended a

considerable number of hours on behalf of the Committee, and is not meant to be a detailed description of all of the work performed. Detailed descriptions of the day-to-day services provided by Milbank and the time expended performing such services in each project billing category are fully set forth in Exhibit “B” hereto. Such detailed descriptions demonstrate that Milbank was heavily involved in the performance of services for the Committee on a daily basis, including night and weekend work, often under extreme time constraints, to meet the needs of the Committee in these cases. The sheer magnitude of matters in these Chapter 11 Cases has required and continues to require substantial and continuing efforts on the part of the Committee and its professional advisors, including Milbank, to address the many complex issues and problems that are presented by these extraordinary and complex cases.

**A. General Case Administration**

26. During the Fifth Interim Compensation Period, Milbank continued to maintain, and undertake action in accordance with, an elaborate protocol developed earlier in these cases for the organization and delegation of the substantial number of tasks engendered by Lehman’s chapter 11 process. The protocol is designed to ensure that the Committee is kept apprised of all aspects of the Chapter 11 Cases. The protocol also guarantees that all matters are being addressed, without duplication of effort. Due to the highly complicated nature of the Debtors’ cases, these tasks require the knowledge, expertise, and input of a whole range of Milbank timekeepers, from paralegals to senior partners, all of whom have become intimately familiar with the issues and the parties in the Chapter 11 Cases.

27. Additionally, Milbank has established a system whereby substantive court filings are reviewed to provide the Committee with a comprehensive summary and analysis of each material pleading filed in the Chapter 11 Cases. Milbank’s efforts in setting up

efficient and comprehensive methods of administering the Committee's needs ensure that the Committee has the information necessary to effectively carry out its fiduciary responsibilities to the unsecured creditors of each of the Debtors.

**B. Unsecured Creditors' Issues/Meetings/Communications/Creditors' Committee**

28. During the Fifth Interim Compensation Period, the Committee held weekly telephonic meetings and monthly in-person meetings in advance of in-person meetings with the Debtors. In addition, the Committee also began holding a separate weekly telephonic meeting devoted to plan of reorganization issues. Prior to each Committee meeting, Milbank prepared and distributed memoranda, presentations, and other materials for the Committee members' consideration. During the Committee meetings, Milbank discussed with Committee members and their counsel all significant matters arising during the Fifth Interim Compensation Period, and in particular, the Debtors' Plan, and assisted the Committee in formulating positions with respect to such issues.

29. Through Committee meetings and conference calls, and numerous other communications with members of the Committee, Milbank has assisted the Committee in

- (i) fulfilling its obligations to unsecured creditors of each of the Debtors' estates, and
- (ii) making informed decisions regarding the numerous issues that have arisen in these cases.

**C. Project Monitoring/Court Calendar & Docket Maintenance**

30. During the Fifth Interim Compensation Period, Milbank continued to maintain internal filing, record-keeping, docket-monitoring, and calendaring systems to organize and track (i) pleadings filed in the Chapter 11 Cases, SIPA Proceeding, and related adversary proceedings; (ii) ongoing projects; and (iii) upcoming deadlines. On a real-time basis, Milbank downloaded, consolidated, and organized pleadings to ensure efficient access.

Milbank also monitored the dockets and summarized and circulated substantive pleadings to the Milbank team. These summaries enabled Milbank to stay abreast of ongoing developments in these cases, facilitated the assignment of projects, and helped ensure that deadlines were not missed.

31. Additionally, Milbank maintained a comprehensive calendar of active matters in these cases. This calendar ensured that Milbank could effectively monitor and update the status of all pending matters, a resource that proved beneficial in responding to inquiries and discussing these matters with the Committee and other parties in interest. Milbank also maintained and circulated to the Committee, on a weekly basis, a calendar of upcoming motions, hearing dates, and other important deadlines.

**D. Hearings and Court Communications**

32. During the Fifth Interim Compensation Period, Milbank prepared for and appeared at each of the hearings conducted before this Court, including, among others, (i) numerous regularly scheduled omnibus hearings; (ii) special hearings and case conferences; (iii) hearings in the SIPA Proceeding; and (iv) hearings in a wide variety of adversary proceedings arising out of the Chapter 11 Cases and the SIPA Proceeding. In advance of each hearing, Milbank would confer internally to address the issues presented by each motion or other pleading and coordinate a response thereto. To that end, among other things, Milbank reviewed and analyzed documents, including correspondence and pleadings, conducted factual and legal research, and met with numerous parties to work toward the consensual resolution of any objections raised by the Committee or other parties in interest. Following each hearing, Milbank promptly advised the Committee of pertinent Court rulings and developments.



**E. Interested Party Communications/Website/Lehman Team Hotline**

33. In accordance with the Stipulation and Agreed Order Between the Debtors and the Official Committee of Unsecured Creditors Regarding Creditor Access to Information Pursuant to 11 U.S.C §§ 105(a), 1102(b)(3) and 1103(c) [Docket No. 498], which the Court approved on October 1, 2008 (the “Creditor Information Protocol”), Milbank, on behalf of the Committee, continued to populate and maintain a public website (the “Committee Website”). The Committee Website contains a significant amount of content produced by Milbank, which is updated frequently and designed to provide information to creditors, including, among other things, (i) general information concerning the Debtors’ Chapter 11 Cases, including adversary proceedings, chapter 15 cases, and the SIPA Proceeding; (ii) highlights of significant events; (iii) a case calendar; and (iv) answers to frequently asked questions, available in several foreign languages. The Committee Website also acts as a critical pathway for the dissemination of information between Milbank and the Debtors’ creditors. For example, the Committee Website permits creditors to register to receive monthly reports and to submit inquiries directly to Milbank, as to which Milbank works in collaboration with the Debtors’ counsel (as required by the Creditor Information Protocol) to provide responses.

34. During the Fifth Interim Compensation Period, Milbank continued to expend substantial time maintaining the Committee Website. In addition, hundreds of creditors contacted Milbank via the Committee Website and telephonically with questions concerning the Chapter 11 Cases, and, more specifically, inquiries concerning substantive consolidation and other plan structure issues. In accordance with the Creditor Information Protocol, Milbank reviewed and responded to all such creditor inquiries.

35. During the Fifth Interim Compensation Period, Milbank continued to spend considerable time working with each of the *ad hoc* groups that formed during the Chapter 11 Cases to advance the objectives of various creditor constituencies, to assist such groups' understanding of the issues in the Chapter 11 Cases, and negotiate resolutions of disputed issues. Milbank also continued, at the Court's direction, to act as an information "liaison" between the Debtors, these *ad hoc* groups, and other creditors on a frequent basis.

**F. Communications with Debtors**

36. During the Fifth Interim Compensation Period, Milbank continued its frequent communication and exchange of correspondence with Debtors' counsel regarding, among numerous other issues, case administration, responses to pleadings, issues related to the Debtors' Plan, negotiations with the persons or entities (the "Foreign Administrators") managing the affairs of the numerous proceedings (the "Foreign Proceedings") initiated by or against Lehman-related entities in countries outside of the U.S., or jurisdictions where Lehman entities may have assets and/or liabilities (the "Foreign Affiliates"), substantive consolidation, claims based on purported guarantees issued by LBHI of its affiliates' obligations (the "Guarantee Claims"), and public disclosures in connection with the Debtors' Plan, including Debtors' March 29, 2010 8-K filing and the Debtors' Disclosure Statement. Milbank also worked with the Debtors to finalize the documentation of and obtain bankruptcy court approval for the Debtors' to enter into agreements with Lenders Asset Management Corporation ("LAMCO"), the alternative dispute resolution process to resolve objections to proofs of claim, and upcoming hearings. Further, Milbank prepared for and attended in-person meetings with the Committee members, the Debtors, and their respective professionals to, among other things,

discuss the ongoing administration of and long term strategy for the Chapter 11 Cases, and in particular, the Debtors' Plan.

**G. LBI/SIPC Coordination and Issues**

37. During the Fifth Interim Compensation Period, in addition to reviewing and analyzing various motions filed in the SIPA Proceeding, Milbank spent considerable time analyzing the issues raised by the SIPA Trustee's motion for an order approving the SIPA Trustee's proposed allocation of property of the LBI estate (the "SIPA Allocation Motion"), reviewing related discovery, conferring with the Committee's financial advisors, FTI Consulting Inc. ("FTI") and Houlihan, Lokey, Howard & Zukin ("Houlihan"), and preparing a response to the SIPA Allocation Motion. After numerous discussions and negotiations with the SIPA Trustee and his advisors, the Committee ultimately reached a consensual resolution of certain of the issues raised by the SIPA Allocation Motion, which the Court approved on March 2, 2010 [Docket No. 2743].

38. Additionally, Milbank spent considerable time reviewing and analyzing objections to the SIPA Trustee's determinations of claims filed against LBI and how these determinations would impact the LBI estate and, ultimately, potential creditor recoveries therefrom. In that connection, Milbank closely monitored and analyzed the responses filed by Fifth Third Structured Large Cap Plus Fund and Providence Equity Partners so as to advise the Committee on the Court's treatment of the SIPA Trustee's claim determinations.

39. Finally, Milbank examined various intercompany issues, stemming from claims filed against the Debtors by the SIPA Trustee and claims filed by the Debtors against the LBI estate. In connection therewith, Milbank continued to consult with the Committee's financial advisors and with the Debtors on matters such as the enforceability of certain

subordination agreements entered into by LBI and the value of the Lehman ALI, Inc. payment-in-kind note.

**H. Employee/ERISA/Benefits/Pension Issues**

40. During the Fifth Interim Compensation Period, Milbank devoted substantial time to researching and analyzing issues with respect to the Federal Worker Adjustment Retraining and Notification Act (“WARN”) and similar laws. These laws require employers to give employees advance notice of termination of their employment in certain circumstances. Milbank, accordingly, drafted an analysis that both summarized the relevant laws and also noted the variations and differences between state law and federal law on that matter. The analysis also evaluated the Debtors’ exposure to claims by their former employees by reason of insufficient notice of the termination of their employment.

**I. Tax Issues**

41. During the Fifth Interim Compensation Period, Milbank devoted substantial time to analyzing and evaluating federal, state, local, and international tax issues relating to the Debtors’ estates. A subcommittee (the “Tax Subcommittee”) convened, as necessary, to address the myriad tax issues arising in the Chapter 11 Cases. In addition to attending meetings of the Tax Subcommittee, Milbank participated in the Committee’s weekly telephonic meetings to (i) inform the Committee of significant tax matters (e.g., the structure of the Debtors’ Plan, the status and substance of the Debtors’ planned private letter ruling request from the Internal Revenue Service (“IRS”)); (ii) obtain Committee input as to certain tax matters (e.g., the sale of Real Estate Mortgage Investment Conduits (“REMICs”) held by Lehman Pass Through Securities Inc. and LBI, the approval of the Debtors’ settlements with the IRS and Department of Justice); and (iii) ascertain information that may be relevant to the tax

analysis (e.g., recovery projections, ongoing activities that may give rise to tax, substantive consolidation discussions, business and derivative settlements).

42. Milbank also conducted weekly conferences with the Debtors' in-house tax department and the Debtors' tax litigation counsel, Bingham McCutchen LLP ("Bingham"), to discuss (i) the Debtors' ongoing business activities; (ii) the Debtors' tax compliance activities and preparedness; (iii) discussions and negotiations with the IRS and Department of Justice; (iv) discussions with LBI's tax counsel; (v) strategies for obtaining a ruling from the IRS regarding the tax consequences the Debtors' Plan; and (vi) any miscellaneous matters that arose that were materially related to the Debtors' tax positions.

43. Additionally, Milbank reviewed, researched, and analyzed (i) tax issues related to the disposition of certain assets; (ii) tax issues involving Aurora Bank FSB, f/k/a Lehman Brothers Bank FSB ("Aurora") and Woodlands Commercial Bank ("Woodlands Bank") and, together with Aurora, the "Banks"; (iii) tax consequences of Lehman Pass Through Securities Inc. and LBI holding and disposing of REMIC residual interests; (iv) the Debtors' federal, state, local, and international tax exposures and potential refund claims; (v) transactions subject to the ongoing IRS audit of the Debtors' estates, including foreign tax credit claims; (vi) activities of certain creditors relating to the motions and orders to restrict trading of equity and debt claims of the Debtors; (vii) tax allocation issues among Debtors, non-debtor entities, and LBI; (viii) the Debtors' use of net operating losses, including the effect new legislation will have on the Debtors' alternative minimum tax position; (ix) the effect of state and local tax laws and the potential impact of tax provisions in proposed legislation on the Debtors' estates; and (x) structural issues related to the Debtors' Plan. In connection with the above-mentioned IRS audit, Milbank met with the Debtors' in-house tax department and Bingham, prepared

memoranda for the Tax Subcommittee and the Committee explaining the transactions at issue and the tax exposure associated with the IRS audit, and developed, together with the Debtors, a collective negotiating strategy to settle the significant issues that had arisen on audit. The parties have reached a settlement on several of the above-described issues. Milbank reviewed and analyzed the proposed settlements among the IRS, Department of Justice, and the Debtors, some of which were approved by the Court and others which remain subject to bankruptcy court approval. Furthermore, Milbank, on the Committee's behalf, intervened in the Debtors' suit for a tax refund relating to its 1999 and 2000 tax years and undertook activities associated with preparing to represent the Committee's interests in that litigation.

44. Additionally, Milbank researched, prepared legal memoranda, and corresponded with the Debtors regarding (i) the potential exposure for significant tax liabilities related to the ownership of REMIC residual interests; (ii) the priority of various tax claims against the Debtors; (iii) tax allocation rules related to the Debtors' right to contribution by subsidiaries; (iv) the status of a controlled foreign corporation when placed in receivership; and (v) potential withholding tax claims against the Debtors for pre- and post petition dates.

**J. Other General Business Operation Issues**

45. During the Fifth Interim Compensation Period, Milbank continued reviewing and analyzing the myriad issues in connection with a potential business plan for the Debtors, including the Debtors' proposal to form an asset management company. Milbank worked in tandem with the Committee's financial advisors to (i) identify issues related to the formation, structure, and function of such an asset management company and (ii) craft solutions to the problems engendered by such issues, which were subsequently discussed and negotiated with the Debtors and their professionals. Such discussions culminated in the formation and

documentation of LAMCO, for which the Debtors sought bankruptcy court approval (the “LAMCO Motion”) [Docket No. 7579]. Milbank filed a statement in support of the LAMCO Motion, [Docket No. 8017], and also assisted the Debtors in resolving certain objections interposed with respect to the LAMCO Motion. On April 15, 2010, the Court approved the LAMCO Motion, thereby establishing LAMCO LLC to manage the Debtors’ assets.

**K. Intercompany Issues**

46. During the Fifth Interim Compensation Period, Milbank expended considerable time investigating matters related to intercompany obligations. Most significantly, Milbank devoted substantial resources to an analysis of the treatment of Lehman Brothers Treasury Co. B.V. (“LBT”) intercompany claims under the Debtors’ Plan and their potential impact on creditor recoveries. Milbank also undertook extensive research regarding the treatment of certain other intercompany claims under the Debtors’ Plan, and the theories to enforce or object to such claims.

**L. Real Estate Matters**

47. As reflected in the First Interim Fee Application, due to the size, complexity and potential for exposure of the Debtors’ real estate portfolio, the Committee established a subcommittee (the “Real Estate Subcommittee”) to evaluate issues relating to the Debtors’ extensive real estate portfolio. During the Fifth Interim Compensation Period, the Real Estate Subcommittee continued to hold regular meetings to address and make recommendations to the Committee with regard to issues related to the Debtors’ real estate holdings in discrete assets (e.g., Excalibur, Intrawest, SunCal, Palmdale, Archstone, 200 Fifth Avenue, 340 Madison Avenue, Canyon Ranch, King Edward Hotel and Heritage Fields) and

work with the Debtors under previously approved protocols to attempt to maximize the value of the Debtors' real estate assets.

48. The Debtors' real estate portfolio includes commercial, residential and corporate interests in which the Debtors hold both debt and equity positions, often in the form of joint ventures to develop large commercial projects. Milbank continued to work closely with the Committee's financial advisors to assess whether the Debtors should continue to meet various funding obligations, and also reviewed and commented on the terms of the Debtors' proposed restructurings of their debt facilities. In connection therewith, Milbank continued to review the Debtors' rights, obligations and exposures relative to joint venture partners, borrowers, senior secured lenders, unsecured creditors and other third parties in order to further analyze the potential consequences of the proposed restructurings or failures to fund capital calls. Milbank also continued to participate in the consensual resolution of several outstanding real estate related motions.

49. **Fenway**. In connection with the Real Estate Subcommittee's and the Committee's consideration thereof, Milbank spent considerable time reviewing and analyzing the Fenway structure, which involved a complex commercial paper program, and the Debtors' proposed Fenway settlement. In the Fenway structure, LCPI and Fenway Capital, LLC ("Fenway") had entered into a repurchase agreement whereby LCPI transferred to Fenway interests in certain real property, including interests in the certain term loans to various affiliates of SCC Acquisitions, Inc., who are subject to their own bankruptcy proceeding in California (collectively, the "SunCal Debtors"). Fenway used these assets to secure obligations under certain variable funding notes which were in turn used to secure obligations under three commercial paper notes. In analyzing the settlement transaction, Milbank assessed the impact



that the unwinding of the Fenway structure would have on the pending SunCal Debtors' bankruptcy cases. Milbank also worked with the Debtors in formulating the proposed settlement. Due to concerns that Lehman's prepetition relationships with Fenway may have involved certain improprieties, Milbank conducted additional due diligence and worked with the Debtors to further revise the terms of the Fenway settlement. With the settlement appropriately tailored and the benefits of the Debtors' estates clearly established, the Committee supported the transaction [Docket No. 8220], which was approved by the Court on May 13, 2010.

**M. Private Equity**

50. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Private Equity Subcommittee") to monitor and evaluate developments with respect to the Debtors' private equity assets. During the Fifth Interim Compensation Period, the Private Equity Subcommittee continued to hold regular meetings to address and make recommendations to the full Committee with regard to specific issues surrounding the Debtors' portfolio of private equity assets and formulate protocols with the Debtors to maximize the value of such portfolios. Milbank worked closely with the Debtors, the Debtors' professionals, and the Committee's financial advisors in connection with the sale of several investments that were part of Lehman's private equity portfolio, including Silver Lake and Varel.

51. Furthermore, Milbank has been involved in the restructuring of several investments in the private equity portfolio. For example, in connection with the Kingfisher structure, Milbank reviewed and considered a transaction that resulted in a substitution of the collateral manager so that the Debtors could have the opportunity to restructure and better

manage the assets of the Kingfisher structure. Milbank has also been involved in restructuring transactions of underlying investments in the Kingfisher structure.

52. Milbank also worked with the Committee's financial advisors to identify and analyze potential avoidance actions arising in connection with the private equity portfolio. In connection therewith, Milbank attended various meetings and teleconferences with the Committee's financial advisors and the Debtors' professionals to discuss individual transactions and the estates' overall financial situation in the months leading to the bankruptcy filing.

53. Finally, the Committee and its advisors continued to work closely with the Debtors to review and evaluate the entire private equity portfolio, as recently reunderwritten, to continue to map out a process for ascertaining which of these assets should be sold in the near term and which should be held.

**N. Derivatives Issues**

54. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Derivatives Subcommittee") to evaluate issues and develop value maximizing strategies relating to the Debtors' valuable derivatives portfolio. During the Fifth Interim Compensation Period, Milbank continued to conduct regular (at least weekly) meetings with the Derivatives Subcommittee to address and, where appropriate, make recommendations to the Committee in respect of specific issues concerning the Debtors' portfolio of derivatives positions.

55. **Derivatives ADR.** On September 17, 2009, this Court entered an order approving the Debtors' Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-143 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors Under Derivative Contracts (the "Derivatives ADR Order"),

pursuant to which the Committee, the Debtors and derivatives counterparties mediate disputes arising from the closing out of the Debtors' "in-the-money" derivatives portfolio. During the Fifth Interim Compensation Period, Milbank continued to work closely with the Debtors to review and respond to the counterparty notices filed under the Derivatives ADR Order, and to evaluate settlement proposals under the alternative dispute resolution process. During the subsequent period, Milbank participated actively in mediations.

56. **Derivatives Litigation.** Milbank also continued to address issues related to, and provided recommendations on, derivatives matters, including the highly complex derivatives-related adversary proceedings commenced by the Debtors to recover the Debtors' "in-the-money" positions in various derivatives transactions. To that end, Milbank devoted substantial resources to analyzing derivatives contracts and other related transaction documents, monitoring and participating actively in the derivatives-related adversary proceedings, communicating with the Debtors' counsel and the Committee's financial advisors, and developing and evaluating strategies to monetize complicated derivatives transactions for the benefit of unsecured creditors of each of the Debtors' estates. In that connection, Milbank expended considerable time summarizing such analyses and recommendations in numerous memoranda to the Committee. Milbank also conducted extensive research on issues relating to the appeals of the Court's determination of the contested matters involving Metavante Corporation and BNY Corporate Trustee Services Limited.

57. Considerable attention was paid to certain adversary proceedings, each of which raises novel issues of law. In preparation for the representation of the Committee in certain of the derivatives-related adversary proceedings in which the Committee has intervened, Milbank researched complex legal issues related to, among other things, the treatment of

derivative contracts in bankruptcy. Such research and analysis has been essential to the development of strategies to recover amounts due to the Debtors in disputed derivatives transactions for the benefit of unsecured creditors of each of the Debtors' estates.

**O. Loans/Investments**

58. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Loan Book Subcommittee") to review and analyze matters related to the Debtors' loan book. During the Fifth Interim Compensation Period, the Loan Book Subcommittee continued to analyze, among numerous other matters related to the Debtors' loan book, (i) issues concerning the Debtors' motions, dated November 14, 2008 and December 15, 2009, to assume or reject trade confirmations to purchase or sell interests in loans; (ii) activity regarding the Debtors' funded and unfunded loan commitments; and (iii) restructurings and other transactions regarding the Debtors' interests in loans. Milbank continued to work with the Committee's financial advisors to analyze and present the legal and financial implications of the Debtors' loan book transactions to the Loan Book Subcommittee in order to facilitate its recommendations and responsive courses of action to the full Committee. To that end, the Loan Book Subcommittee convened meetings to discuss and formulate recommendations regarding all outstanding loan book matters.

59. **Transactions.** During the Fifth Interim Compensation Period, Milbank reviewed, among other transactions, several special purpose securitization vehicles established by the Debtors to issue certain notes, including (i) a collateralized loan obligation with Spruce CCS Ltd. as the issuer; (ii) a collateralized loan obligation with Verano CCS Ltd. as the issuer; and (iii) a statutory trust named the Restructured Asset Securities with Enhanced Returns Series with 2007-7-MM Trust as the issuer. Milbank reviewed and analyzed the governing documents

of these structures to determine the requirements for selling the underlying collateral. The Committee's advisors continued to analyze the management of these underlying loans, and the potential to sell such assets, taking into account possible violations of the governing documents regarding the loans.

60. Milbank also worked with the Committee's financial advisors to review and advise the Committee with respect to, among other transactions, (i) the prepayment by the Debtors of notes issued by certain securitization trusts involving Metropolitan Life Insurance Company; (ii) the liquidation of certain corporate loan assets of LCPI securing financing provided to the Debtors; (iii) the transactions involved in the FairPoint Communications restructuring and the Debtors' debt interests therein; and (iv) the recapitalization of certain non-Debtor affiliates, including a Brazilian entity which was provided financing by certain Debtors for the acquisition of loan portfolios.

61. **Loan Commitments and Restructurings.** During the Fifth Interim Compensation Period, Milbank continued to monitor the Debtors' compliance with the reporting requirements and internal protocols contemplated by Court-approved procedures to execute transactions involving unfunded commitments and loan restructurings, and summarized for the Committee the Debtors' disclosures regarding monthly loan activity. Milbank also conducted research and drafted a memorandum for the Loan Book Subcommittee on the Debtors' potential liability and defenses with respect to their failure to fund loan commitments, and reviewed and analyzed relevant proofs of claim of borrowers asserting damages for such alleged failures to fund. In addition, Milbank and the Committee's financial advisors presented to the Loan Book Subcommittee analyses of segments of the Debtors' loan portfolio, focusing

on significant funded commitments, and discussed recommendations and strategized with the subcommittee members regarding buy and sell options with respect to such commitments.

**P. Domestic Bank and Related Regulatory Issues**

62. During the Fifth Interim Compensation Period, Milbank continued to expend considerable time in connection with the Banks, which are overseen by the Office of Thrift Supervision (the “OTS”) and the Federal Deposit Insurance Company (the “FDIC,” together with the OTS, the “Regulators”). The Debtors’ and Committee’s professionals have sought throughout the Chapter 11 Cases to improve the capital levels at each of the Banks to satisfy regulatory requirements, avoid potential seizures and liquidations by the Regulators, and facilitate the resumption of depository functions at the Banks to preserve and maximize value. Accordingly, Milbank continued to work closely with the Debtors and their professionals in attempting to structure solutions to the various issues confronting the Banks, including communicating with the Regulators to discuss the Banks’ alternatives and to negotiate a mutually acceptable solution to the Banks’ regulatory issues.

63. Milbank worked closely with the Committee’s financial advisors to analyze and present the legal and financial implications of transactions involving the Banks to a subcommittee (the “Bank Regulatory Subcommittee”) established to review such matters. During the Fifth Interim Compensation Period, the Bank Regulatory Subcommittee held meetings to review restructuring measures and other developments related to the Banks, discuss responsive courses of action and formulate recommendations regarding Bank matters that were presented to the full Committee for further consideration.

64. Milbank has taken, and continues to take, measures to ensure that the Banks are being properly managed to maximize their value for the Debtors’ estates and

creditors. To that end, during the Fifth Interim Compensation Period, Milbank spent considerable time, among other things, (i) analyzing the claims of the Regulators against LBHI with respect to its obligations owed to the Banks; (ii) researching precedent cases involving thrifts and defenses to claims brought by regulators regarding capital maintenance commitments of holdings companies under section 365(o) of the Bankruptcy Code; (iii) monitoring issues regarding the proposed settlement agreement with the Regulators to resolve disputes arising out of a certain master forward agreement between LBHI and Aurora; and (iv) discussing with the Committee's financial advisors and the Debtors' advisors restructuring strategies for the Banks and approaches to resolving disputes with their Regulators.

**Q. International Insolvency Matters**

65. During the Fifth Interim Compensation Period, Milbank continued to monitor and analyze issues regarding the Foreign Proceedings, including, without limitation, the proceedings pending in (i) the United Kingdom ("UK"); (ii) Hong Kong; (iii) Japan; (iv) France; (v) the Netherlands; (vi) Switzerland; (vii) Germany; (viii) Australia; (ix) Singapore; (x) Korea; (xi) the Philippines; (xii) China; (xiii) Cayman Islands; (xiv) Luxembourg; (xv) Taiwan; and (xvi) Bermuda.

66. **Analysis of Foreign Proceedings, Claims and Discussions.** During the Fifth Interim Compensation Period, Milbank attorneys and paraprofessionals across various jurisdictions collaborated with each other, Debtors' counsel, and the Foreign Administrators regarding the status of and major issues arising in the Foreign Proceedings. Milbank analyzed and summarized reports published by the Foreign Administrators and other publicly available information. Based on such analyses, Milbank provided regular updates to the Committee regarding the Foreign Proceedings.

67. Milbank also continued to monitor compliance with and developments regarding that certain Cross-Border Insolvency Protocol for the Lehman Brothers Group of Companies (the “Protocol”), approved by the Court on June 17, 2009. In connection therewith, Milbank reported to the Committee on the developments at the meetings of the Protocol signatories held in London in February 2010, Hong Kong in April 2010 and London again in May 2010, in which Milbank participated. At the Protocol meetings, other forums and through correspondence, Milbank engaged with certain Foreign Administrators to understand their concerns regarding the Debtors’ Plan and other issues in the Chapter 11 Cases. Milbank also analyzed and engaged in discussions with the Debtors and others to facilitate the resolution of issues among the Debtors and the Foreign Administrators. Further, Milbank corresponded with the Foreign Administrators and reviewed their counterproposals to the Debtors’ Plan and potential resolutions of contested issues. In connection with each of the foregoing, Milbank regularly updated the Committee on the progress of negotiations with the Foreign Administrators.

68. In addition, during the Fifth Interim Compensation Period, Milbank, among other things, continued to (i) review the Guarantee Claims filed by and against the Debtors and the Foreign Affiliates; (ii) research potential bases under applicable law for disallowing claims of Foreign Affiliates against the Debtors; and (iii) analyze relevant setoff, equitable subordination and avoidance laws in applicable jurisdictions and the potential for disallowance of the Debtors’ claims in the Foreign Proceedings.

69. **Australia Issues.** Foreign Affiliate Lehman Brothers Australia Ltd. (“Lehman Australia”) commenced a voluntary administration on September 26, 2008. In May 2009, Lehman Australia’s largest creditor, Foreign Affiliate Lehman Brothers Asia Holdings



Ltd. (“LBAHL”), proposed a deed of company arrangement (the “DOCA”) – a statutory mechanism under Australia law whereby a company may enter into a compromise arrangement with its creditors – as a plan to resolve Lehman Australia’s debts and creditors’ claims. The proposed DOCA was rejected by an Australian Federal Court (the “Australian Federal Court”), which decision was upheld by the High Court of Australia (the “Australian High Court”) in March 2010. As a result, the Lehman Australia estate was converted to a liquidation proceeding.

70. During the Fifth Interim Compensation period, Milbank monitored Lehman Australia’s Foreign Proceeding and analyzed various issues, including, among others, (i) the Australian Federal Court and Australian High Court’s decisions regarding the DOCA and the potential impact on Lehman Australia, LBAHL and LBHI, which is also a creditor of Lehman Australia; (ii) litigation surrounding an issuance of notes in Australia by certain LBHI affiliates known as the Dante Program and issues regarding the priority of payment of the note obligations; and (iii) the potential settlement of claims by and against Lehman Australia and the potential outcome of the Lehman Australia liquidation proceedings. In connection therewith, Milbank reviewed publicly available information regarding the Lehman Australia Foreign Proceeding, including reports from the official liquidators of the Lehman Australia estate, PPB, and regularly corresponded with PPB to address issues in the proceedings. In connection therewith, Milbank drafted and discussed with the Committee a memorandum summarizing the key issues in the Lehman Australia Foreign Proceeding.

71. **Asia Issues.** In September 2008, petitions were submitted by representatives of certain of the Debtors’ affiliates in Hong Kong (collectively, the “HK

Debtors”)<sup>13</sup> for the winding up of the HK Debtors pursuant to section 179(1) of the Hong Kong Companies Ordinance. During the Fifth Interim Compensation Period, Milbank monitored the Hong Kong liquidation proceedings, reviewed relevant publicly available information, and prepared a memorandum summarizing the status of and major issues arising in the proceedings. Milbank conducted research regarding the HK Debtors and jurisdiction-specific laws and their impact on the Debtors’ interests. Additionally, Milbank prepared for and attended meetings with the liquidators of the HK Debtors, KPMG, during the Protocol meeting in Hong Kong in April 2010, and engaged in discussions with KPMG, regarding, among other things, the Debtors’ Plan and intercompany claims and issues.

72. Milbank also continued to monitor and review issues arising in the Civil Rehabilitation Proceedings for the Foreign Affiliates in Tokyo (collectively, the “Japan Debtors”), including the pending appeal of creditors to Tokyo High Court regarding the Tokyo District Court’s approval of civil rehabilitation plans for certain Japan Debtors seeking reduced distributions to LBHI and/or its affiliates.

73. **UK Issues.** Lehman Brothers International Europe (“LBIE”), the Debtors’ principal trading company in the UK, along with several other British subsidiaries and affiliates of the Debtors, were placed into insolvency administration in the UK (the “UK Administration”), and the English High Court appointed PricewaterhouseCoopers (“PwC”), as joint administrators. During the Fifth Interim Compensation Period, Milbank continued to monitor the UK Administration, and major developments therein, and to provide English law advice in relation to various swaps and derivatives transactions to which Lehman entities are a

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<sup>13</sup> The HK Debtors include: (i) LBAHL; (ii) Lehman Brothers Asia Limited; (iii) Lehman Brothers Futures Asia Limited; (iv) Lehman Brothers Securities Asia Limited; (v) LBQ Hong Kong Funding Limited; (vi) Lehman Brothers Nominees (H.K. Limited); (vii) Lehman Brothers Asia Capital Company; and (viii) Lehman Brothers Commercial Corporation Asia Limited.

party. This involved numerous internal telephone conversations, email communication and memoranda, as well as email communication and conversations with the Committee's financial advisors and the Debtors' advisors.

74. In particular, Milbank performed extensive legal research into the provisions and practical mechanics of the administration process under English law. Milbank regularly communicated with UK-based representatives of FTI and had regular conversations with members of the London office of Weil, Gotshal & Manges LLP regarding the status of the UK Administration. In addition, Milbank monitored and provided updates and analyses to the Committee on various issues in connection with the UK Administration, including the upcoming RASCALs hearing and the LBIE Client Money Appeal, which was heard by the Court of Appeal of England and Wales from June 21-24, 2010.

75. In addition, Milbank reviewed, summarized and analyzed the Third Progress Report (the "Report"), dated April 14, 2010, prepared by PwC, that provided an account of the steps that had been taken in the UK Administration, and communicated to the Committee regarding the Report and its principal findings. In that connection, Milbank, with the help of FTI, analyzed the most recent data regarding the potential quantum of claims against LBIE, the realization process of LBIE's assets and the size of potential distributions to LBHI and other Debtors holding intercompany claims against LBIE.

76. **German Bank Issues.** Lehman Brothers Bankhaus AG ("Bankhaus") is a wholly owned subsidiary of LBHI that was put into an insolvency proceeding by the Frankfurt Local Court (*Amtsgericht*) on November 13, 2008. On April 29, 2009, Bankhaus filed with this Court a petition for recognition of a foreign main proceeding under chapter 15 of the Bankruptcy Code. During the Fifth Interim Compensation Period, Milbank analyzed numerous

issues relating to Bankhaus, including working with the Debtors and Houlihan to review the terms of the settlement agreement with Bankhaus and legal issues in connection therewith. In addition, Milbank, among other things, (i) reviewed proofs of claim filed by and against Bankhaus, including claims filed by Bundesverband deutscher Banken regarding obligations under a guarantee and indemnity letter from LBHI and assessed the merits of such claims pursuant to German law; (ii) researched the treatment under German law of intercompany claims that could affect the recovery of the Debtors; and (iii) drafted a memorandum for the Committee regarding the potential setoff of claims by Bankhaus pursuant to the laws governing German insolvency proceedings.

**R. Non-Derivative Automatic Stay/Safe Harbor Issues**

77. During the Fifth Interim Compensation Period, Milbank reviewed numerous motions filed by parties in interest seeking to lift the automatic stay to enforce various contractual agreements or otherwise exercise rights against the Debtors' estates.

78. **SunCal Debtors' Relief From Stay Motion.** In connection therewith, Milbank reviewed and analyzed the Motion of the SunCal Debtors for an Order Determining that the Automatic Stay Does Not Apply; Or, in the Alternative, Granting Relief from the Stay (the "SunCal Debtors' Motion") [Docket No. 8539] and Milbank filed with the Court, on behalf of the Committee, a Statement in Connection with the SunCal Debtors' Motion (the "Statement in Connection") [Docket No. 8940]. The Statement in Connection concurred with the Debtors' view that the SunCal Debtors' Motion should be denied. Milbank asserted that the burdens imposed on LCPI in terms of the time, financial resources and attention necessary to defend itself against the SunCal Debtors' meritless equitable subordination claims in California far

outweighed any potential harm to the SunCal Debtors and threatened material detriment to the interests of LCPI's and LBHI's creditors.

79. **Debtors' Motion to Allow Delivery of Notices of Acceleration.** During the Fifth Interim Compensation Period, Milbank continued to participate in the negotiations of an agreed form of order granting Merrill Lynch International ("Merrill") certain limited relief from the automatic stay to deliver notices of acceleration (the "Notices") for certain notes issued by LBT and purportedly guaranteed by LBHI (the "LBT Notes"). The Debtors also filed a motion and proposed order which sought to modify the automatic stay to permit all holders of the LBT Notes (the "Holders") to deliver Notices to LBHI in order to accelerate the Holders' claims against LBT in LBT's insolvency proceeding in the Netherlands (the "Motion to Allow Acceleration Notices") [Docket No. 8753].

80. Milbank played a central role in negotiating an agreed form of order and filed, on behalf of the Committee, a Statement in Connection with the Debtors' Motion to Allow Acceleration Notices (the "Statement") [Docket No. 9525]. The Statement noted that the Debtors' Motion to Allow Acceleration Notices proposed a reasonable solution to one of the administrative challenges resulting from inconsistencies between Dutch and American laws and that the relief requested by the Debtors should avoid substantial administrative costs to LBHI's estate, while permitting Holders of the LBT Notes to pursue their claims. Milbank also ensured that the Committee's rights were reserved with respect to (i) whether delivery of Notices to LBHI with respect to the LBT Notes violated the automatic stay in effect in LBHI's chapter 11 case; (ii) the validity and enforceability of the LBHI guarantee; and (iii) how claims against LBHI on account of the LBT Notes and/or the LBHI guarantee were to be calculated.

**S. Miscellaneous Asset Sales/363 Issues**

81. During the Fifth Interim Compensation Period, the Committee and its professionals continued their work in connection with the Debtors' asset sale transactions including ongoing work related to the sale of the Lehman's broker-dealer business to Barclays Capital Inc. ("Barclays").

82. **Omnium**. Milbank continued to play an active role in the Debtors' efforts to retain a data processing and workflow automation consultant on a permanent basis, following the expiration of the Transition Services Agreement put in place following the sale of Lehman's broker-dealer business to Barclays. During the Fifth Interim Compensation Period, the Court approved the retention of Omnium LLC (formerly Citadel Solutions LLC, "Omnium") on a final basis on March 25, 2010. Milbank spent considerable time reviewing and analyzing the terms of the final agreement with Omnium, working in close communication with Debtors' counsel. Additionally, Milbank worked closely with the Committee's financial advisors in reaffirming the adequacy of the Transition Services Agreement with respect to its final form.

83. **Libro**. Milbank also reviewed and analyzed the potential sale of the Debtors' interests in non-debtor affiliate Lehman Libro Securitizadora de Creditos Financeiros ("Libro"), a Brazilian entity. Milbank continued to expend time in connection with the sale of all issued and outstanding shares and certain promissory notes issued by Libro. In that connection, Milbank worked closely with Debtors' counsel in reviewing and commenting on drafts of a proposal submitted by an interested party, culminating in the execution of a term sheet with negotiations of a final agreement ongoing.

**T. Non-Derivative Executory Contracts/365 Issues**

84. During the Fifth Interim Compensation Period, Milbank reviewed and analyzed pleadings filed with respect to the Debtors' executory contracts, including motions by certain of the Debtors' counterparties seeking to compel the respective Debtor to assume or reject a particular executory contract. Such review and analysis included legal research regarding the relief sought by such pleadings, analysis of the Debtors' rights and obligations under the applicable executory contracts, consultation with the Committee's financial advisors regarding the financial implications of the proposed treatment of the subject contracts, correspondence with the Debtors' legal and financial advisors regarding the financial context and implications of the proposed courses of action, and assessment of the potential impact on the Debtors' estates. Based upon such review and analysis, Milbank prepared memoranda for the Committee summarizing such pleadings, applicable legal issues, corresponding financial considerations, and the potential impact on the Debtors' estates and unsecured creditor recoveries.

**U. Plan of Reorganization/Plan Confirmation/Plan Implementation**

85. As the Debtors' exclusive period for filing a plan of reorganization expired and they filed the Debtors' Plan, Milbank, together with the Committee's financial advisors, intensified its long-pending review of the myriad issues involved with the plan of reorganization. Such analysis included the review of bankruptcy, corporate governance, pension, tax and structural issues, and the preparation and review of recovery scenarios. In connection therewith, Milbank, along with the Committee's financial advisors, regularly met with the Debtors and their advisors to discuss the proposed treatment of a variety of plan-related issues, including the preservation of net operating losses, substantive consolidation,

intercompany claims and guarantee claims reconciliation, corporate governance, and plan currency.

86. Additionally, Milbank continued its work on a comprehensive analysis of substantive consolidation and the factors generally considered by courts when analyzing substantive consolidation. In preparing such analyses, Milbank conducted in-depth research on all reported cases discussing the doctrine of substantive consolidation and also undertook extensive factual investigation on the issue, including document review and employee and creditor interviews. In connection therewith, Milbank, together with the Committee's financial advisors, also continued its analysis of the potential applicability of the principles articulated in such cases to the facts and circumstances of the Chapter 11 Cases. Milbank also researched and drafted several comprehensive memoranda on substantive consolidation and its implications on the Debtors' estates, and made numerous presentations to the Committee with respect to the foregoing.

87. Finally, Milbank and Houlihan analyzed different scenarios that would serve to settle the issues of substantive consolidation and had numerous meetings with the Debtors and certain creditor groups with respect thereto. Specifically, the Committee individually met with the LBT Noteholder Group, the LBT Ad Hoc Group, The Baupost Group, the LBSF Ad Hoc Consortium of Claimholders and the LBSF Alliance to discuss each of their positions on substantive consolidation. Additionally, the Committee convened telephonically with the Ad Hoc Group of Lehman Brothers Creditors to discuss their proposed objection to the Debtors' Plan seeking authorization to conduct discovery on substantive consolidation, which was later filed on June 29, 2010 [Docket No. 9905].



**V. Claims Analysis**

88. **Claims Database.** Milbank continued, during the Fifth Interim Compensation Period, to expand and refine the database of the Debtors' debt offering documents ("Database") that was created and developed during the First Interim Compensation Period. Milbank continued to use the Database to develop and present summary forensic capital structure information to the Committee and its advisors, as well as to answer individual queries from the Committee and the public about specific Lehman debt instruments. The Database is used by Milbank and the Committee's financial advisors on a regular basis to determine and analyze the Debtors' and certain foreign subsidiaries' capital structures, review certain proofs of claim, establish a basis upon which to determine and validate claim amounts, and analyze substantive consolidation, intercompany, preference and other potential issues. Milbank continued to review and analyze the debt securities and guarantees of LBHI and its affiliates in order to expand the Database with respect to LBT and to address issues related to Lehman securities raised by the Committee. Having access to the Database has proved invaluable to the Committee and its advisors, including with respect to the matters related to the claims reconciliation process and the Debtors' Plan.

89. **Capital Structure Issues.** Milbank drafted a number of memoranda for the Committee on certain current and anticipated disputed topics relating to the Debtors' capital structure, including (i) an analysis of LBHI's guarantee of LBT debt; (ii) a comparison of the treatment of LBHI subordinated notes under the governing documents as versus under the Debtors' Plan; (iii) an analysis of the nature of certain intercompany claims in the context of substantive consolidation arguments; (iv) an analysis of the various early redemption valuation methods upon an event of default for LBHI structured notes and the LBT Notes; (v) an

overview of Lehman Brothers Securities N.V.'s formation, operations, issuances and financial information; (vi) an analysis of assumption of obligations provisions whereby LBHI may assume LBT's obligations; and (vii) an analysis of the effect of allowing the Holders to accelerate payment under the LBT Notes.

90. **Bar Date.** During the Fifth Interim Compensation Period, Milbank reviewed and analyzed numerous motions filed by claimants seeking permission to file proofs of claim after the deadline to file proofs of claim against the Debtors. In connection therewith, Milbank did extensive research regarding excusable neglect, the standard for late-filed proofs of claim, and related legal and factual issues. Milbank drafted and filed a joinder to the Debtors' objection to the several motions filed by parties seeking, *inter alia*, to have their late filed proofs of claim be deemed as timely filed [Docket No. 7544], and took similar positions on the record at the hearings on other similar motions. On May 20, 2010, this Court issued a memorandum decision denying the motions to file late proofs of claim [Docket No. 9150].

**W. Other Bankruptcy Motions and Matters**

91. During the Fifth Interim Compensation Period, Milbank devoted substantial time to researching and evaluating potential claims on behalf of the Debtors' estates, including voidable transfer claims. Pursuant to section 546(a) of the Bankruptcy Code, the deadline for bringing avoidance actions is two years after the entry of the order for relief, which in this case is September 15, 2010. Due to this time limitation, Milbank conducted considerable diligence in connection with potential avoidance actions. In particular, Milbank began working with the Debtors, the Debtors' counsel and professionals, the Committee's financial advisors, the Committee's conflicts counsel, the SIPA Trustee and the SIPA Trustee's advisors, among other things, to (i) identify and analyze categories of pre- and post-petition transfers potentially

subject to avoidance and recovery; (ii) analyze the prepetition financial condition of the Debtors to determine whether the Debtors were insolvent and/or undercapitalized during any period for purposes of pursuing preference and constructive fraudulent transfer claims; (iii) investigate and analyze in greater depth particular transfers identified as potential avoidance targets; (iv) analyze potential legal issues that might arise in connection with the pursuit of any avoidance actions; and (v) develop potential litigation strategies.

92. Milbank analyzed various categories of potentially voidable transfers based on information provided by the Debtors' professionals and contained the Examiner's Report, including payments to insiders and vendors, and transfers made in connection with the treasury and trading activities of the Debtors. Milbank met and corresponded extensively with the Committee's financial advisors, and counsel and financial advisors to the Debtors and the SIPA Trustee to discuss various types of prepetition transfers made by the Debtors, the prepetition financial condition of the Debtors, various issues relating to the joint pursuit of avoidance actions by the Debtors and the SIPA Trustee and strategies and mechanics of sending demand letters and tolling agreements to and/or filing complaints against transferees. Milbank also began looking into particular transfers in which potential recoveries for the estates appeared to be substantial, and developing potential theories of recovery for such transfers. Through these analyses and discussions, Milbank began working with the Debtors to determine which transfers might create viable causes of action under avoidance and other theories and which transfers could be eliminated from further consideration.

93. Milbank also began assessing the financial condition of the Debtors prior to the Petition Date for purposes of preference and constructive fraudulent transfer causes of action. Milbank engaged in discussions and correspondence with the Debtors' counsel

regarding the Debtors' prepetition financial condition and the Debtors' concerns regarding the collateral effects that a finding of insolvency or undercapitalization might have on potential claims against the estate. Milbank worked extensively with the Committee's financial advisors in developing work plans to coordinate with the Debtors' professionals in assessing the Debtors' financial condition and to potentially perform an independent assessment.

**X. Non-Derivative Adversary Proceedings Preparation and Litigation**

94. During the Fifth Interim Compensation Period, Milbank did research and prepared memoranda regarding the claims and issues raised by a wide range of pending lawsuits and potential settlements impacting the Debtors' estates. Milbank also held teleconferences and meetings, both internally and with the Debtors and their professionals, with regard to the foregoing and provided regular updates to the Committee.

95. More specifically, with the exception of cases in which the Committee's interests are represented by the Committee's conflicts counsel, Milbank monitored developments in (i) all pending adversary proceedings commenced in this Court; (ii) lawsuits commenced prepetition against the Debtors and pre- and post-petition against non-Debtor affiliates, officers, directors, and related parties; (iii) litigation raising issues similar to those raised or to be raised in the Chapter 11 Cases; and (iv) contested matters in the Chapter 11 Cases. When appropriate and directed by the Committee, Milbank intervened in such matters on the Committee's behalf. In connection with the monitored proceedings, Milbank reviewed and analyzed proposed settlement agreements and advised the Committee regarding the same.

**Y. 2004 Issues**

96. In connection with certain findings contained in the Examiner's Report, Milbank conducted research and filed a motion for authorization, pursuant to Rule 2004 of the

Bankruptcy Rules, to issue subpoenas for the production of documents and oral examination of representatives from Ernst & Young LLP and its affiliates (collectively, “E&Y”) involved in performing auditing and other services for Lehman prior to the Petition Date (the “E&Y Rule 2004 Motion”). Specifically, the Committee sought information related to E&Y’s role in Lehman’s prepetition use of an accounting method known as “Repo 105” to purportedly move assets off Lehman’s balance sheets. In connection therewith, Milbank also drafted discovery requests and a motion pursuant to Rule 30(b)(6) to ensure the Committee’s access to oral examinations and documents in connection with the relief sought.

**Z. Examiner Issues**

97. During the Fifth Interim Compensation Period, Milbank continued to communicate and coordinate with the Examiner in connection with the Examiner’s investigation mandate and also reviewed and analyzed the Examiner’s Report. In connection with the filing of the Examiner’s Report, and prior to its unsealing, Milbank analyzed and developed a response to the Examiner’s Motion to Establish Procedures to Unseal the Examiner’s Report. Once the Examiner’s Report was unsealed, Milbank conducted a thorough review of the report and its exhibits and drafted for the Committee a summary and analysis of the report, including its impact on potential claims of the estates. Along with its review of the claims and causes of action identified in the Examiner’s Report, Milbank also researched and analyzed various legal issues, such as the ability to access materials underlying the Examiner’s investigation and the evidentiary weight of the Examiner’s findings in subsequent proceedings.

**AA. Firm’s Own Billing/Fee Applications**

98. During the Fifth Interim Compensation Period, Milbank reviewed the Fee Statements for, among other purposes, compliance with the Interim Compensation Order, the

Local Guidelines and the Fee Committee Guidelines. Milbank also prepared and served its Fee Statements and its Fourth Interim Fee Application on all parties as required by the Interim Compensation Order.

99. In connection with the appointment of the Fee Committee, during the Fifth Interim Compensation Period, Milbank reviewed and analyzed matters related to the Fee Protocol, and regularly corresponded with the members of the Fee Committee and the other professionals retained in the Chapter 11 Cases regarding such matters. In addition to continuing to attend regular meetings of the Fee Subcommittee, Milbank continued to work cooperatively with the Fee Committee to settle certain outstanding issues identified in the Fee Committee reports pertaining to the retained professionals' third and fourth interim fee applications. Such cooperative efforts led to, among other things, the adoption of a revised protocol for the review of fee statements and fee applications by the Fee Committee, as reflected in the April 9, 2010 Fee Committee Report.

**BB. Third Party Retention/Fee Application/Other Issues**

100. During the Fifth Interim Compensation Period, Milbank reviewed the retention applications of Dechert, LLP; Sutherland, Asbill & Brennan, LLP; Jones Day, LLP; Deloitte, LLP, and others, as certain of these professionals originally retained as ordinary course professionals pursuant to the Court's Order Pursuant to Sections 105(a), 327, 328 and 330 of the Bankruptcy Code Authorizing the Debtors to Employ Professionals Utilized in the Ordinary Course of Business, dated November 5, 2008 (the "OCP Order") [Docket No. 1394], exceeded the \$1 million cap on fees during the pendency of the Chapter 11 Cases established in the OCP Order.

101. Milbank also reviewed the monthly fee statements received from other professionals pursuant to the Interim Compensation Order. Finally, Milbank assisted in the filing and service of the fourth interim fee applications of other Committee professionals.

#### IV.

#### **ALLOWANCE OF COMPENSATION**

102. The professional services rendered by Milbank have required a high degree of professional competence and expertise to address, with skill and dispatch, the numerous issues requiring evaluation and action by the Committee. The services rendered to the Committee were performed efficiently, effectively and economically, and that the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditors of each of the Debtors' estates.

103. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

104. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person, "reasonable compensation for actual, necessary services rendered." Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

105. The congressional policy expressed above provides for adequate compensation in order to continue to attract qualified and competent professionals to bankruptcy cases. In re Busy Beaver Bldg. Ctrs., Inc., 19 F.3d 833, 850 (3d Cir. 1994) (“Congress rather clearly intended to provide sufficient economic incentive to lure competent bankruptcy specialists to practice in the bankruptcy courts.”) (citation and internal quotation marks omitted); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 18 (Bankr. S.D.N.Y. 1991) (“Congress’ objective on requiring that the market, not the Court, establish attorneys’ rates was to ensure that bankruptcy cases were staffed by appropriate legal specialists.”).

106. In assessing the “reasonableness” of the fees requested, courts have looked to a number of factors, including those first enumerated by the Fifth Circuit in In re First Colonial Corp. of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977), and thereafter adopted by



most courts.<sup>14</sup> See In re Nine Assocs., Inc., 76 B.R. 943, 945 (S.D.N.Y. 1987) (adopting First Colonial/Johnson analysis); In re Cuisine Magazine, Inc., 61 B.R. 210, 212-13 (Bankr. S.D.N.Y. 1986) (same); see generally 3 Collier on Bankruptcy ¶ 330.04[3] (Lawrence P. King et al., eds., 15th rev. ed. 2009) (enumerating First Colonial and Johnson as the “leading cases to be considered in determining a reasonable allowance of compensation”). Milbank respectfully submits that the consideration of these so-called Johnson factors should result in this Court’s allowance of the full compensation requested.

- (A) The Time and Labor Required. The Debtors’ cases are among the largest, most complex and active bankruptcy cases ever filed. Accordingly, the professional services rendered by Milbank on behalf of the Committee have required the continuous expenditure of substantial time and effort, under time pressures which sometimes required the performance of services late into the evening and, on a number of occasions, over weekends and holidays. The services rendered required a high degree of professional competence and expertise in order to be administered with skill and dispatch.
- (B) The Novelty and Difficulty of Questions. Novel and complex issues have arisen in the course of these chapter 11 cases, and it can be anticipated that other such issues will be encountered. In these cases, as in many others in which the firm is involved, Milbank’s effective advocacy and creative approach to problem solving have helped clarify and resolve difficult issues and will continue to prove beneficial.
- (C) The Skill Requisite to Perform the Legal Services Properly. Milbank believes that its recognized expertise in the area of financial restructuring, its ability to draw from highly experienced professionals in other areas of its practice such as securities, structured products, asset divestiture, litigation, and regulatory law and its practical approach to the resolution of issues help maximize the distributions to the unsecured creditors of each of the Debtors.
- (D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Milbank’s financial restructuring department and the firm as a whole, Milbank’s representation of the Committee has not precluded the

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<sup>14</sup> The factors embraced by the Fifth Circuit in First Colonial were first adopted by the Fifth Circuit’s decision in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), except that First Colonial also included the “spirit of economy” as a factor expressly rejected by Congress in enacting section 330 of the Bankruptcy Code. Stroock & Stroock & Lavan v. Hillsborough Holdings Corp. (In re Hillsborough Holdings Corp.), 127 F.3d 1398, 1403 (11th Cir. 1997). A majority of the First Colonial factors are now codified in section 330(a)(3). 3 Collier on Bankruptcy ¶ 330.04[3].

acceptance of new clients. However, the number of matters needing attention on a continuous basis has required numerous Milbank attorneys, across multiple practice groups, to commit significant portions of their time to these cases.

- (E) The Customary Fee. The compensation sought herein is based upon Milbank's normal hourly rates for services of this kind. Milbank respectfully submits that the compensation sought herein is not unusual given the magnitude and complexity of these cases and the time dedicated to the representation of the Committee. Such compensation is commensurate with fees Milbank has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.
- (F) Whether the Fee is Fixed or Contingent. Milbank charges customary hourly rates, as adjusted annually, for the time expended by its attorneys and paraprofessionals in representing the Committee, and Milbank's fee is not outcome dependent.
- (G) Time Limitations Imposed by Client or Other Circumstances. As stated above, Milbank has been required to attend to various issues as they have arisen in these cases. Often, Milbank has had to perform these services under significant time constraints requiring attorneys and paraprofessionals assigned to these cases to work evenings and on weekends.
- (H) The Amount Involved and Results Obtained. The Committee represents the interests of unsecured creditors of each of the Debtors that, in the aggregate, hold unsecured claims estimated to be valued in the hundreds of billions of dollars, in what has been widely described as the largest chapter 11 case ever filed. The Committee's participation, with Milbank's counsel and guidance, has greatly contributed to the efficient administration and prospects for reorganization of these cases.
- (I) The Experience, Reputation and Ability of the Attorneys. Milbank has a sophisticated and nationally recognized corporate reorganization and financial restructuring practice, and Milbank attorneys involved in this representation have played a major role in numerous complex restructurings including, for example, the chapter 11 cases of Lyondell Chemical Company, Nortel Networks Inc., Capmark Financial Group Inc., Hayes Lemmerz International, Inc., DBSD North America, Inc., Refco, Inc., Enron Corp., TOUSA, Inc., Vicorp, Interstate Bakeries Corp., Winn-Dixie Stores, Inc., Fruit of the Loom Inc., Adelphia Communications Corp., Maxxim Medical Group, Inc., RCN Corp., US Airways Group, Inc., Global Crossing Ltd., Fleming Companies, Inc., Dairy Mart Convenience Stores, Inc., Lernout & Hauspie Speech Products N.V., Teligent, Inc., World Access, Inc., ORBCOMM Global, L.P., ICO Global Communications Inc., Safety-Kleen Corp., HomePlace Stores, Inc., Hvide Marine, Inc., Sun TV and Appliances, Inc., Seven-Up/RC Bottling Company of Southern California, Inc., and Ames Department Stores, Inc. Milbank's experience enables it to perform the services described herein competently and expeditiously.

- (J) The “Undesirability” of the Case. These cases are not undesirable but, as already indicated, have required a significant commitment of time from many of Milbank’s attorneys.
- (K) Nature and Length of Professional Relationship. Milbank was selected as the Committee’s counsel shortly after the Committee’s formation, on September 17, 2008, and was retained nunc pro tunc to that date pursuant to an order of the Court dated November 21, 2008. Milbank has been rendering services continuously to the Committee since the Committee was formed, and Milbank has rendered such services in a necessary and appropriate manner.

107. The total time spent by Milbank attorneys and paraprofessionals during the Fifth Interim Compensation Period was 33,683.10 hours and has a fair market value of \$19,450,342.75. As shown by this Application and supporting exhibits, Milbank’s services were rendered economically and without unnecessary duplication of efforts. In addition, the work involved, and thus the time expended, was carefully assigned in consideration of the experience and expertise required for each particular task.

## V.

### EXPENSES

108. Milbank has incurred a total of \$851,804.27 in expenses in connection with representing the Committee during the Fifth Interim Compensation Period. Milbank records all expenses incurred in connection with the performance of professional services. A schedule of expenses by project billing category, as well as a summary of these expenses and detailed descriptions of these expenses, is annexed hereto as Exhibit “C.”

109. In connection with the reimbursement of expenses, Milbank’s policy is to charge its clients in all areas of practice for expenses, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to Milbank’s clients include, among other things, telephone and telecopy toll and other charges, mail and express mail charges, special or hand delivery charges, photocopying charges, out-of-

town travel expenses, local transportation expenses, expenses for working meals, computerized research and transcription costs.

110. Milbank charges the Committee for these expenses at rates consistent with those charged to Milbank's other bankruptcy clients, which rates are equal to or less than the rates charged by Milbank to its non-bankruptcy clients. Milbank seeks reimbursement from the Debtors at the following rates for the following expenses: (i) ten cents (\$0.10) per page for photocopying; (ii) fifty cents (\$0.50) for color copies; (iii) no charge for incoming facsimiles; (iv) toll charges only for outgoing facsimiles; and (v) an average of nineteen cents (\$0.19) per minute for long distance. Specifically, with respect to phone charges over \$100.00, such charges were accrued in connection with conference calls in which the Committee, the Debtors and/or other parties in interest participated.

111. In accordance with section 330 of the Bankruptcy Code, the Local Guidelines and the U.S. Trustee Guidelines, Milbank seeks reimbursement only for the actual cost of such expenses to Milbank.<sup>15</sup> Additionally, Milbank has further limited and defined its expenses in accordance with the Fee Committee Guidelines.

112. In providing or obtaining from third parties services which are reimbursable by clients, Milbank does not include in such reimbursable amount any costs of investment, equipment or capital outlay.

113. Milbank regularly charges its non-bankruptcy clients for ordinary business hourly fees and expenses for secretarial, library, word processing and other staff

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<sup>15</sup> The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any "year-end" adjustments (positive or negative) to the actual discounted cost of such expenses.

services because such items are not included in the firm's overhead for the purpose of setting the billing rates.

114. Attorneys at Milbank have not incurred expenses for luxury accommodations or deluxe meals. The Application does not seek reimbursement of air travel expenses in excess of coach fares. Throughout the Fifth Interim Compensation Period, Milbank has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estates.

## **VI.**

### **NOTICE**

115. Notice of this Application has been given to (a) the Debtors, (b) counsel for the Debtors, (c) the United States Trustee, and (d) the members of the Fee Committee.

## **VII.**

### **CONCLUSION**

WHEREFORE, Milbank respectfully requests the Court to enter an order conforming to the amounts set forth in Fee Schedule A(1) attached hereto as Exhibit "D" (i) allowing Milbank (a) interim compensation for professional services rendered as counsel for the Committee during the Fifth Interim Compensation Period in the amount of \$19,450,342.75 and (b) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$851,804.27, for a total award of \$20,302,147.02; (ii) authorizing and directing the Debtors to pay to Milbank \$12,066,469.66, which is an amount equal to the difference between (a) this \$20,302,147.02 award and (b) \$8,235,677.36, the total of all amounts that the Debtors have previously paid to Milbank pursuant to the Interim Compensation Order

for services rendered and expenses incurred during the Fifth Interim Compensation Period; and  
(iii) granting such further relief as is just.

Dated: New York, New York  
August 16, 2010

**MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP**

By: /s/ Dennis F. Dunne

Dennis F. Dunne  
Evan R. Fleck  
Dennis C. O'Donnell  
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New York, New York 10005  
Telephone: (212) 530-5000

Counsel for Official Committee of Unsecured  
Creditors of Lehman Brothers Holdings Inc., et al.

# **EXHIBIT A**

## **Certification**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS  
FOR PROFESSIONALS IN RESPECT OF FIFTH APPLICATION OF MILBANK,  
TWEED, HADLEY & M<sup>c</sup>CLOY LLP, COUNSEL TO  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR INTERIM  
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND  
FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM  
FEBRUARY 1, 2010 THROUGH AND INCLUDING MAY 31, 2010**

Pursuant to the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991 and amended April 21, 1995 (together, the “Local Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, adopted on January 30, 1996 (the “U.S. Trustee Guidelines” and, together with the Local Guidelines, the “Guidelines”), the undersigned, a member of the firm Milbank, Tweed, Hadley & M<sup>c</sup>Cloy LLP (“Milbank”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Lehman Brothers Holdings Inc., Lehman Brothers Structured Finance, Lehman Brothers Commercial Paper, Inc. and their affiliated debtors in possession in the above-captioned cases (collectively, the “Debtors”), hereby certifies with respect to Milbank’s fifth application for allowance of compensation for services rendered and for reimbursement of expenses, dated August 16, 2010 (the “Application”), for the period of



February 1, 2010 through and including May 31, 2010 (the “Fifth Interim Compensation Period”) as follows:

1. I am the professional designated by Milbank in respect of compliance with the Guidelines.
2. I make this certification in support of the Application, for interim compensation and reimbursement of expenses for the Fifth Interim Compensation Period, in accordance with the Local Guidelines.
3. In respect of section B.1 of the Local Guidelines, I certify that:
  - a. I have read the Application.
  - b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Guidelines.
  - c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Milbank and generally accepted by Milbank’s clients.
  - d. In providing a reimbursable service, Milbank does not make a profit on that service, whether the service is performed by Milbank in-house or through a third party.<sup>1</sup>
4. In respect of section B.2 of the Local Guidelines, I certify that Milbank has provided statements of Milbank’s fees and disbursements previously accrued, by filing and serving monthly statements in accordance with the Interim Compensation Order (as defined in the Application), except that completing reasonable and necessary internal accounting and review procedures have at times precluded filing fee statements within the time periods established in the Interim Compensation Order.

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<sup>1</sup> The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any “year-end” adjustments (positive or negative) to the actual discounted cost of such expenses.

5. In respect of section B.3 of the Local Guidelines, I certify that copies of the Application are being provided to (a) the Court, (b) the Debtors, (c) counsel for the Debtors, (d) the Office of the United States Trustee, and (e) the members of the Fee Committee.

6. I certify that the Application for interim compensation and reimbursement of expenses for the Fifth Interim Compensation Period has been prepared in accordance with the Fee Committee Guidelines (as defined in the Application).

Dated: New York, New York  
August 16, 2010

By: /s/ Dennis F. Dunne  
Dennis F. Dunne

## **EXHIBIT B**

### **Time Entry Records<sup>1</sup>**

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<sup>1</sup> Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the members of the Fee Committee.

## **EXHIBIT C**

### **Expenses<sup>1</sup>**

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<sup>1</sup> Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; (v) the members of the Fee Committee.

## **EXHIBIT D**

### **Fee Schedule A(1)**

CASE NO.: 08-13555 (JMP) (Jointly Administered)

CASE NAME: IN RE LEHMAN BROTHERS HOLDINGS INC., et al.

FIRST INTERIM FEE PERIOD SEPTEMBER 17, 2008 – JANUARY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/10/09 Docket No. 3337	\$12,132,376.00	\$12,062,428.50	\$1,213,237.60	\$1,143,247.54	\$668,388.72	\$668,346.18

SECOND INTERIM FEE PERIOD FEBRUARY 1, 2009 – MAY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/14/09 Docket No. 4821	\$16,829,521.00	\$16,233,210.42	\$1,682,952.10	\$1,371,217.28	\$1,019,754.61	\$1,006,175.08

THIRD INTERIM FEE PERIOD JUNE 1, 2009 – SEPTEMBER 30, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley &	12/14/09	\$10,881,540.00	\$10,689,053.40	\$1,088,154.00	\$795,598.60	\$583,803.10	\$483,734.30

FEE SCHEDULE A(1)

McCloy LLP	Docket No. 6203						
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<b>FOURTH INTERIM FEE PERIOD</b> <b>OCTOBER 1, 2009 – JANUARY 31, 2010</b>							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/16/10 Docket No. 8432	\$13,595,778.50	[ ] <sup>1</sup>	\$1,359,577.85	\$6,211,791.04	\$451,410.54	[ ]

<b>FIFTH INTERIM FEE PERIOD</b> <b>FEBRUARY 1, 2010 – MAY 31, 2010</b>							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/16/10 Docket No. [ ]	\$19,450,342.75 <sup>2</sup>	[ ]	\$1,945,034.28	\$11,674,570.75	\$851,804.27	[ ]

<sup>1</sup> This amount will be determined at a hearing to be held on August 25, 2010.

<sup>2</sup> The amount requested on account of fees and expenses incurred by Milbank during the Fifth Interim Compensation Period was \$867,570.52 less than the sum of fees and expenses set forth in the Fee Statements served during the Fifth Interim Compensation Period.